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COLORADO DEPARTMENT OF  
 **HIGHER  
EDUCATION**

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ACCESS TO HIGH-QUALITY, AFFORDABLE EDUCATION FOR ALL COLORADANS

**INSTRUCTION MANUAL FOR  
HIGHER EDUCATION FACILITIES,  
PROGRAM PLANNING AND BUDGETING**

FISCAL YEAR 2010-11

ISSUED BY THE  
COLORADO DEPARTMENT OF HIGHER EDUCATION  
WITH THE  
OFFICE OF STATE PLANNING AND BUDGETING  
Revised JUNE 3, 2009

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DAVID E. SKAGGS, EXECUTIVE DIRECTOR

# STATE OF COLORADO



DEPARTMENT OF HIGHER EDUCATION

Bill Ritter, Jr.  
Governor

David E. Skaggs  
Executive Director

## MEMORANDUM

TO: Higher Education Capital Construction Advisory Committee (CCAC)  
Higher Education CFOs  
Higher Education Facility Planners

FROM: Daniel Krug, Financial and Compliance Analyst

DATE: May 29, 2009

SUBJECT: Capital Construction Budget Requests for Fiscal Year 2010-11

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Attached is the Department of Higher Education (DHE) "Instruction Manual for Higher Education Facilities, Program Planning and Budgeting for FY 2010-11." Please be sure to review the manual and the deadlines set forth in the schedule as all institutions will be held to them this year. We have revised this manual and the budget forms to comply with recent statutory changes.

Daniel Krug will be managing the capital construction review process and all submittals and questions should be directed to his attention. He can be reached at (303) 866-2749. Andrew Carlson will also be available to respond to your questions on the capital construction process. He can be reached at (303) 866-4025.

The 2009 legislative session included two bills directly impacting higher education capital construction and the review process (SB09-290 and SB09-295). Although SB09-295 was killed on the final day of the session, SB09-290, the *Higher Education Capital Construction Flexibility* legislation, was passed and signed into law.

This bill has changed the way that the state classifies and reviews projects funded entirely by institutional cash funds. As was previously done, projects costing under \$2 million and funded entirely by cash funds (i.e. "209" projects) may proceed without DHE, Capital Development Committee (CDC), or Joint Budget Committee (JBC) review and approval. These projects will continue to be reported annually to DHE in September for the previous fiscal year. However projects costing over \$2 million have been reclassified.

For cash funded projects over \$2 million dollars the initial determination in their classification is whether they will be constructed using funds that will or will not be subject to the Higher

Education Intercept Act (SB08-245). After that the nature of the project and funding source will determine whether it is an *Academic cash project* or an *Auxiliary cash project*. Academic cash projects replace the cash project types which were reviewed last year under the process established in HB08-1205. Auxiliary cash projects were those projects formerly known and reviewed as 202 projects. These Auxiliary cash projects remain ineligible for state Controlled Maintenance funding. Because the state is ultimately responsible for the bond payments for those institutions participating in the Higher Education Intercept Act (SB08-245), all Academic and Auxiliary cash projects at these institutions must be reviewed and approved by DHE, the CDC, and the JBC prior to commencing the project. OSPB will not be involved in the review and approval of any cash funded requests for FY10-11.

The chart below outlines DHE's understanding and interpretation of the new legislation. This budget manual is updated to reflect these legislative changes and their impact on the review and approval process.

# Higher Education Construction

## Cash Funds

## General Fund

(projects require appropriation)

### “209 projects”

Cost less than \$2.0 million

(projects without legislative or CCHE review. CCHE submits annual report.)

Cash projects greater than \$2.0 million

“State funded projects”

Constructed with funds not subject to the Intercept Act (SB08-245)

Constructed with funds subject, in whole or in part, to the Intercept Act (SB08-245)

“Non-Intercept Academic cash projects”  
(Formerly “Regular Cash”)

“Non-Intercept Auxiliary cash projects”  
(Formerly “202”)

“Intercept Academic cash projects”  
(Formerly “Regular Cash”)

“Intercept Auxiliary cash projects”  
(Formerly “202”)

*Constructed with:*

- appropriated “academic and academic facility fees”
- gifts, grants, donations
- tuition

*Review process:*

- Not reviewed by CCHE
- Included on 2 year Cash List

*Operated and maintained by:*

- cash funds or state monies

*Constructed with:*

- cash funds: non-appropriated student fees (e.g. parking, rec center, or housing); wholly endowed gifts / bequests; research funds

*Review process:*

- Not reviewed by CCHE
- Included on 2 year Cash List

*Operated and maintained by:*

- cash funds

*Constructed with:*

- appropriated “academic and academic facility fees”
- gifts, grants, donations
- tuition

*Review process:*

- Receive expedited review by CCHE, CDC/JBC advisory role
- Included on 2 year Cash List

*Operated and maintained by:*

- cash funds or state monies

*Constructed with:*

- cash funds: non-appropriated student fees (e.g. parking, rec center, or housing); wholly endowed gifts/bequests; research funds

*Review process:*

- Receive expedited review by CCHE, CDC/JBC advisory role
- Included on 2 year Cash List

*Operated and maintained by:*

- cash funds

In addition, changes in funding sources to account for new gifts, grants and/or donations, no longer need to seek a supplemental to account for and approve the new funding source. Projects are also permitted to enhance a cash funded project by 15% of the original program plan cost without prior approval by DHE. However the Governing Board is required to notify DHE, OSPB, the CDC and the JBC in writing to explain how the project has been enhanced and the source of any additional funds that will be applied to the project.

The process for each type of project is further defined and explained in the sections of this budget manual.

DHE will accept all projects that meet the guidelines and budget deadlines set forth in the attached Instruction Manual for consideration in FY10-11. Unlike the last couple of years, the DHE and the Commission will only accept state funded capital requests that meet specific criteria for consideration for state funding as outlined in the “State Funded Projects” section on page 9. Because of the economic downturn and the state tax revenue shortfall in the current year and anticipated through FY10-11, there will likely be very little state funding available for capital construction and Controlled Maintenance. However, in developing the higher education priority list, we will again rely heavily on the priorities of governing boards with a focus on health and life safety projects, programmatic improvements, and continuation projects. The Department discourages the submission of program plans for new state funded requests from governing boards because these will likely not be funded for three to four more budget years (at which point, the programmatic needs addressed in the program plan will likely have changed).

Although its impact will probably not be felt this year, SB09-228, *Concerning an Increase in the Flexibility of the General Assembly to Determine the Appropriate Use of State Revenues*, will impact state funding for capital construction in later fiscal years. The bill modifies the current annual 6% spending limit for the General Funded state operating budget (the Arvescough-Bird spending limit), setting the new limit at 5% of Colorado personal income. SB09-228 also eliminates the SB97-1 transfer to the Highway Users Trust Fund, and the HB02-1310 transfer (1/3 to capital construction, 2/3 to transportation). Under the bill, the following transfers will be made to capital construction instead of the 1310 transfer:

- FY12-13 - 0.5% of General Fund revenue
- FY13-14 – 0.5% of General Fund revenue
- FY14-15 – 1.0% of General Fund revenue
- FY15-16 – 1.0% of General Fund revenue
- FY16-17 – 1.0% of General Fund revenue

The bill also mandates transfers to transportation and to the state reserve over the five year period.

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The following Budget Forms are not in this manual. They were sent via email:

- CC-C: Capital Construction Building Project Request FY 2009-2010  
Project Costs and Approval Cover Sheet  
Support Information Form
- CC-IT: Capital Construction Technology Project Request FY 2009-2010  
Project Costs and Approval Cover Sheet  
Support Information Form
- CC-P: Five-Year Capital Construction Plan FY 2009/10-FY 2013/14
- CC-LCF: Two-Year Cash Funded Capital Construction Plan
- CC-B: Supplemental Capital Construction Request FY 09-10
- CM-03 SBREP Capital Renewal Building/Infrastructure Request  
LEED Checklist

If you did not receive the above forms, please contact Daniel Krug at [dan.krug@dhe.state.co.us](mailto:dan.krug@dhe.state.co.us) or 303-866-2749. All forms will be made available at the following web address:  
<http://highered.colorado.gov/Finance/Capital/>

## **Introduction**

The Department of Higher Education (DHE) is charged, by statute (C.R.S. 23-1-106), to establish standards and procedures for higher education institutional submissions of capital construction program plans, to make budget recommendations on institutional capital construction requests, and to review and approve institutional capital construction program plans and facility master plans that are consistent with the role and mission of each institution (see Appendix A for statute). With the concurrent approval of the Office of State Planning and Budgeting (OSPB), and the staffs of the legislative Capital Development Committee (CDC) and the Joint Budget Committee (JBC), DHE, since 1981, has annually issued an instruction manual for higher education capital projects.

This manual discusses DHE budgeting and planning processes for state and cash funded capital and information technology projects for state-supported higher education institutions. It includes a list of deadlines for the FY10-11 budget year, the processes DHE follows in reviewing various budget documents and capital construction projects, guidelines for submission criteria for state-funded capital construction requests, the DHE prioritization policy for ranking state-funded projects, and instructions for completing the various applicable budget forms. These forms are available on the Department's website at <http://higherred.colorado.gov/Finance/Capital/>. DHE Capital Assets Policies cited or referenced in this manual can be accessed from the DHE website at the following links.

- Section III, Part D - Guidelines for Long-Range Facilities/Infrastructure Master Planning:  
<http://higherred.colorado.gov/Finance/Capital/guidelines/fmpg.pdf>
- Section III, Part E - Guidelines for Facilities Program Planning:  
<http://www.state.co.us/cche/policy/newpolicies/iii-parte.pdf>
- Section III, Part M - Capital Improvement Program Policies:  
<http://higherred.colorado.gov/Finance/Capital/guidelines/fppg.pdf>
- Section III, Part Q - Policies for Self-Funded Capital Construction:  
<http://higherred.colorado.gov/publications/policies/Current/iii-partq.pdf>
- Facility Program Planning Guidelines  
<http://higherred.colorado.gov/Finance/Capital/guidelines/fppg.pdf>
- Facilities Master Planning Guidelines  
<http://higherred.colorado.gov/Finance/Capital/guidelines/fmpg.pdf>
- Space Utilization Guidelines  
<http://higherred.colorado.gov/Finance/Capital/guidelines/sug.pdf>

## Capital Construction Budget and Program Plan Schedule for 2010-11 Requests

Governing Boards and Institutions:	Due Dates
Forward Five-Year Capital Construction Plan (FY10-11 through FY14-15) to DHE (Submit 1 electronic copy) <ul style="list-style-type: none"> <li>• CC-P form</li> </ul> Forward Two-Year Capital Construction List of Cash Funded Projects (FY10-11 through FY11-12) to DHE (Submit 1 electronic copy) <ul style="list-style-type: none"> <li>• CC-LCF form</li> </ul> Forward Governing Board Priorities for all major <b>state-funded</b> capital construction projects to DHE (Submit 1 electronic copy).	July 16, 2009
Forward FY10-11 FINAL Capital Construction Project Requests to DHE (Submit 1 electronic copy of budget documents; 1 paper copy of each facility program plan); CM-03 (Capital Renewal requests) submitted at same the same time to Office of the State Architect (OSA) and OSPB. These requests are not submitted to CDC or JBC at this time. <ul style="list-style-type: none"> <li>• CC-C and CC-IT forms &amp; Support Information</li> <li>• Facility Program Plans</li> <li>• OSA CM-03 (for capital renewal)</li> </ul>	July 16, 2009
Forward self-funded capital projects (cash funded projects) to DHE (Submit 1 electronic copy of budget documents, 1 paper copy of each facility program plan). <ul style="list-style-type: none"> <li>• CC-C and CC-IT forms &amp; Support Information</li> <li>• Facility Program Plans</li> </ul>	August 7, 2009
Forward list (on 209 forms) of cash-funded capital projects – <b>SB01-209 projects</b> – (projects costing \$2 million or less and not subject to C.R.S. 23-1-106 (9) or (10)) to DHE.	September 1, 2009
Forward Board-approved Five-Year Controlled Maintenance Plan and Status Reports on Controlled Maintenance and Capital Construction Projects to the Office of the State Architect.	September 1, 2009
Forward supplemental appropriation requests for FY 09-10 or prior years to DHE (Submit 1 electronic copy). <ul style="list-style-type: none"> <li>• CC-B form</li> </ul>	September 18, 2009
DHE Schedule:	
Consult with institutions in preparation of FY10-11 requests, FY10-11 to FY14-15 Five-Year Capital Construction plans, and FY10-11 to FY11-12 Two-Year Cash Funded plans	Through mid-July
Coordinate state-level reviews of institution requests	July to September
Submit list of state funded capital construction budget requests to Office of State Planning and Budgeting (OSPB)	August 14, 2009
Forward unprioritized list of 100% cash funded projects (CC-LCF) to Capital Development Committee (CDC) and Joint Budget Committee (JBC)	September 1, 2009
Forward list of state funded capital construction budget requests to Capital Development Committee (CDC) staff.	September 1, 2009
DHE Subcommittee on Capital Assets meets with CCAC members & others to finalize recommendations to Commission on the DHE priority list of state-funded capital projects.	Sept. 7-21, 2009

Prepare DHE capital budget priorities, 5-year capital construction program for October Commission agenda	September 18 2009
Submit supplemental appropriation requests to OSPB	October 1, 2009
Coordinate state-wide prioritization list with OSPB	October 24, 2009
Submit supplemental requests to OSPB	November 3, 2009
<b>Submit prioritized list to CDC, JBC &amp; OSPB.</b>	<b>November 2, 2009</b>

## **CCHE Prioritization of State-Funded Projects**

The Colorado Commission on Higher Education (Commission) annually prioritizes **ALL** state-funded (Capital Construction Funds or CCF) capital construction project requests prior to submission to the General Assembly. Projects costing less than \$2 million CCF that are granted a waiver from the program planning requirements are prioritized alongside projects with costs exceeding \$2 million. The Department does not prioritize cash-funded projects. Instead, it reviews a two year list of projected cash projects and/or individual program plans for cash-funded projects with costs exceeding \$2 million and recommends them for cash spending authority to the General Assembly. Cash-funded projects that DHE staff recommends for disapproval or that DHE staff believe raise policy issues are referred to the Commission.

Also, the Department neither reviews nor prioritizes Controlled Maintenance requests. Institutions submit these requests to the Office of the State Architect within the Department of Personnel and Administration.

Prioritized state-funded projects must have approved program plans that are consistent with all statutory requirements, the statutory role and mission, the campus facilities master plan, and approved space and utilization standards, where applicable. In prioritizing a project, financial feasibility and conformance with established planning guidelines may be considered. For all projects requesting FY10-11 funds, the criteria listed in the “State Funded Projects” section on page 9 must be met prior to submission to DHE for prioritization.

For FY10-11, the prioritization list will be reviewed and approved by the Commission’s Sub-Committee on Capital Assets and the Commission as a whole prior to submission to the General Assembly in November 2009.

### **Capital Construction Projects**

#### ***General***

Program plans are required for most public higher education capital construction projects. Only four types of capital construction projects do **NOT** need program plans. These are:

- Capital construction projects costing less than \$2 million in state funds for which requests for exemptions from the requirements of program and physical planning must be submitted to DHE (See the section on program plan waivers below).
- Capital construction projects costing \$2 million or less and constructed, operated and maintained with cash or federal funds and capital projects costing \$2 million or less and constructed with cash funds but operated and maintained with either cash, general funds or a combination of both are called SB01-209 projects. These projects are simply reported to DHE by September 1 of each year for the previous fiscal year (See the section on SB01-209 projects below.)
- Capital construction projects costing \$2 million or more and constructed with cash funds not subject to the Higher Education Intercept Act (SB08-245) (See the section on Non-Intercept projects below).
- Capital Renewal projects for which the Office of the State Architect CM-03 form, and

possibly a feasibility study, may be required in lieu of a formal program plan (See the section on Capital Renewal projects below).

All other new capital requests require program plans. Program plans must follow applicable policy in DHE Policy Section III, Part E – Facilities Program Planning <http://higher.ed.colorado.gov/Publications/Policies/#ca> and the Facility Program Planning Guidelines for Higher Education Capital Construction Projects <http://higher.ed.colorado.gov/Finance/Capital/guidelines/fppg.pdf>.

DHE reviews the program plans for:

- Consistency with the institution’s role and mission, academic, facility, and technology master plans; and state higher education policy;
- Consistency of space utilization with DHE guidelines and campus physical master plan space allocations;
- Appropriateness of source of funds, cost estimate methods, financing implications, impact on operations and maintenance at projected enrollment increments.

Each program plan should:

- Receive the approval of the institution’s governing board within 30 days of submission to DHE; the governing board should send to DHE a letter stating the date and vote of the approval. The governing boards should affirm that the program plan:
  - Conforms with the institution master plan as well as the academic and technology plans;
  - Benefits the educational program housed in the facility;
  - Includes operating and capital costs that are appropriate to the educational program and to the source and method of financing; and
  - Is included in the institutional five-year capital construction program schedule.
- Include a third-party independent review (one performed by an engineer, architect, or information technology expert who is not an employee of the institution) that covers:
  - Compliance with applicable codes;
  - Completeness and accuracy of the project cost estimate;
  - Appropriateness and thoroughness of the methodology used for cost estimating (Means or Dodge published cost data, historical costs from previous projects, cost estimating consultant, in-house cost estimating, etc.); and
  - Validity of the alternative chosen.

Program plans submitted to DHE previously that were not funded for FY09-10 will not be considered for FY10-11 unless an executive summary is sent to DHE demonstrating that:

- The plan’s space use assumptions have not changed, incorporating information on completed new construction and renovation since the original submission;
- The plan’s education and enrollment assumptions remain valid, reflecting any changes

from the previous year in enrollment and degree or program offerings;

- The capital costs remain valid and that any unusual construction issues resulting from the delay have been addressed; and
- Any new code requirements will be met and that cost estimates are appropriately adjusted to reflect any changes.

The governing board must indicate in its priority statements that such unimplemented program plans either retain their previous prioritization or have been reprioritized. For projects that remain unfunded for three years after original submission, the governing board will be asked to withdraw the plan and re-evaluate the project (DHE – Capital Assets Policy III-E – 1.06).

In very rare instances, DHE may determine that an emergency proposal may need expeditious review. DHE staff will immediately notify the institution, governing board staff, and state administrative agencies of its intent to bypass certain procedures.

Funded, DHE-approved program plans for which state capital construction money has been appropriated must meet three state fiscal rules or risk having the money withdrawn, particularly in times when state revenues are insufficient to meet the state government budget:

- **The six month rule**, states that all major professional services (i.e. architect and engineering services) must be encumbered within six months from the time the Long Bill becomes law. Projects that are 100% cash-funded are exempt from the six month encumbrance rule. For those projects not requiring professional services, the entire amount of the project must be encumbered within six months. (See Appendix E for more information);
- **The one-year rule**, which states that all projects must be initiated within one year from the appropriation as demonstrated when expenses for the project have been incurred. Projects that are 100% cash-funded are exempt from the one-year rule; and
- **The three-year rule**, states that agencies have three years to completely encumber their project funds from the time the Long Bill becomes law. The three-year time limit starts over each time the institution receives new appropriations for the same project. The three-year rule can only be modified by General Assembly action in an appropriations bill, and therefore requires a budget action submitted through OSPB. Projects that are 100% cash-funded are exempt from the three-year rule.

More details on the types of capital construction projects follow, with information on how DHE reviews them:

### ***Program Plan Waivers***

Requests for exemptions from the statutory requirements of program and physical planning may be granted for projects costing **\$2 million or less in state money (CCF)** if sufficient information is presented. That information should include the name of the project; the program or department impacted by the project (campus wide if it benefits the entire campus); the assignable and gross square feet the project involves; the increase, if any, to operation and maintenance costs; and a project description, with site maps or other information included when applicable. The waiver request should include reference to the institutional master plan. The total scope of the project should be discussed if the waiver request is part of a phased project that will be completed in the

future or if it complements or completes an earlier project. Institutions should not break a much larger capital construction program into smaller projects to avoid doing program plans. Program plan waivers for projects requiring capital construction funds money are prioritized with all other state-funded projects (CCF). Institutions are not required to request a waiver from the program planning requirements for cash funded projects under \$2 million and 202 projects under \$1 million. These projects are reported as 209 projects (see p. 10).

## ***State Funded Projects***

Given the current state of the economy and the anticipated funding level for capital construction, the Department recommends that Governing Boards delay developing and submitting program plans for state funded projects. Under CCHE Capital Assets Policy III-E – 1.06, for projects “unfunded three years after its original submission, the governing board will be asked to withdraw the plan and to re-evaluate the project.”

For FY10-11 Capital Construction Requests and FY09-10 Supplemental Capital Requests, there is very limited state funding available. Therefore, governing boards should only submit requests that meet the following criteria as published by OSPB in Chapter 11 of their FY10-11 budget manual or projects that were submitted and included on the CCHE prioritized list in FY09-10 and for which a program plan has already been approved. DHE and OSPB will only review, prioritize, and submit requests if they meet these criteria and if they indicate how these criteria are to be met and are clearly explained on the second page of the form. **Submission criteria that are not clearly defended may result in the request not being reviewed.** The Department’s reasoning for limiting the types of requests that can be submitted is to prevent institutions from contracting for program plans for state funded requests that will likely not be funded for four to five years, at which point the program plan will be dated and may need to be redone, revised, and reapproved by CCHE, the CDC, and the JBC.

These criteria are for state funded capital construction requests only (Note: Capital Renewal projects will also follow these criteria but are submitted to DHE and the Office of the State Architect simultaneously). Requests for Controlled Maintenance are to be submitted directly to the Office of the State Architect who will propose projects to the Office of State Planning and Budgeting and DHE. The criteria for those projects are promulgated by the Office of the State Architect.

DHE will accept all FY10-11 requests that meet the guidelines and budget deadlines listed below. Unlike the last couple of years, the DHE and the Commission will only accept state funded capital requests that meet specific criteria for consideration. Because of the economic downturn and the state tax revenue shortfall in the current year and anticipated through FY10-11, there will likely be very little state funding available for capital construction and Controlled Maintenance.

In general, the DHE and Commission will accept for review and prioritization unfunded projects from prior fiscal years and projects considered urgent and critical life or safety projects. The Commission’s priority list will be submitted to the CDC under the statutory authority granted in C.R.S. 23-1-106. However this list may differ from the state approved priority list submitted by OSPB to the CDC, see Chapter 11 of the OSPB Budget Instruction Manual for a list of what projects OSPB will consider for prioritization.

Criteria for submitting capital construction requests to DHE and OSPB are listed below and are

also described in the OSPB budget manual (Chapter 11):

- A. Urgent and critical life or safety project (see definitions below);
- B. Project was originally on the list published in HJR 08-1042 but did not receive any funding from first round of Federal Mineral Lease (FML) certificates of participation (COPs);
- C. Project was an CCHE-approved request for FY09-10 project that was prioritized by DHE on CCF, FML, or HUTF List but was not funded in FY09-10;
- D. Request is a Continuation Project from an appropriation prior to FY10-11;
- E. Projects that had their funding withdrawn or deappropriated during FY08-09.

For a project to be considered a life or safety project, the project must predominately address facility deficiencies related to health, safety, and welfare of the occupants and be both “urgent” and “critical.” A project is considered “urgent” if the life or safety of a person would be compromised if the renovation or modification is not funded for FY10-11. A project is considered “critical” if the life or safety of the occupants is unavoidably compromised due to the unsafe conditions of an area or of an entire building.<sup>1</sup> See the sub-section “Instructions for: CC-C & CC-IT Support” beginning on page 25 for specific examples that will be considered.

A project may also be considered an approvable life or safety project if there will be an urgent and critical loss of use. These projects predominately address facility deficiencies related to non-compliance of codes, standards, and or accreditation requirements of a program. Critical loss-of-use projects would directly result in the inability of that program to function in the related area and or the funding necessary to sustain that program.<sup>2</sup>

Projects for which capital construction funds (CCF or state-funds) funding is requested for all or part of the total cost are classified as state-funded, and are prioritized with all other state-funded projects. State-funded projects can be for anything defined as capital construction (see Appendix B). DHE reviews state funded requests according to the criteria listed above, and prioritizes them prior to forwarding them to the Office of State Planning and Budgeting, and then on to the General Assembly. The types of state-funded projects listed below have special requirements.

## **Information Technology Projects**

Information technology program plans should follow the format in Appendix F of this manual. Staff reviews the program plans with the assistance of the Office of Information and Technology (OIT). OIT reviews the budget documents and pertinent sections of the program plans, and comment on the plans. Information technology projects also may be submitted for cash spending authority.

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<sup>1</sup> Any area of a building or building abandoned due to unsafe conditions should first be reported to the Office of the State Architect to determine if it meets the criteria for emergency controlled maintenance funding.

<sup>2</sup> Any area of a building or building with potential loss-of-use facility conditions should first be reported to the Office of the State Architect to determine if it meets the criteria for emergency controlled maintenance funding.

## Capital Renewal Projects

This category of projects began for the FY02-03 budget submission, and is intended for large controlled maintenance projects (that is, projects that are maintenance-, not program-driven) costing \$2 million or more. Institutions should submit the OSA CM-03 form simultaneously to DHE, and OSA. The OSA CM-03 form should be accompanied by an explanation of how the project is maintenance-driven, not program-driven. DHE determines whether the projects are truly maintenance driven and arise from deterioration of a facility's physical and functional condition and the inability to comply with current codes and energy conservation rather than from programmatic needs (If there is any question on whether a specific project qualifies as a capital renewal project or is driven by program, institutions should consult with DHE and OSA staff). OSA then completes the review of the projects. If approved by both DHE and OSA, the project is forwarded to OSPB for review and possible inclusion in the state prioritization list. Capital renewal projects may also be submitted for cash spending authority.

## Cash Funded Projects

For the purposes of review, projects that are to be undertaken solely with cash funds (CF), solely with federal funds (FF), or only cash funds and federal funds, are considered "100% cash funded." These fund sources should be accurately reported on the CC-C forms as CF or FF, but will follow the same process.<sup>3</sup>

The passage of SB09-290 during the General Assembly's 2009 regular session will result in significant changes to the categorization of cash funded projects. While the new requirements for a cash funded list take effect on July 1, 2009 (see section on CC-LCF), the new project categorizations and rules will not take effect until January 1, 2010. Until that time, the process used for FY09-10 projects will be continued through December 31, 2009. This means that any cash funded project wanting to begin prior to December 31, 2009 and in excess of \$2 million is required to submit the FY10-11 CC-C Excel and Word documents to DHE for review. Per the DHE FY09-10 Manual:

Projects that are to be undertaken solely with cash funds (CF) are considered cash funded or 202 requests depending on the type of cash fund source and project eligibility for state Controlled Maintenance funding. Program plans are required for these projects costing more than \$2 million. Projects costing \$2 million or less are submitted on the SB01-209 list (see SB01-209 section below). Besides being reviewed for the items outlined above, the program plan is examined to ensure that governing board approvals contain the following statements of fact and that sufficient information is provided in the program plan to assure DHE that:

- Sufficient cash funds will be available to pay the capital project costs;
- The earmarked cash funds are appropriate sources considering the nature of the project; and
- The project will not adversely affect the projected operating funds.

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<sup>3</sup> Projects funded through the American Recovery and Reinvestment Act of 2009 (ARRA) are considered a special subset of projects.

Due to HB08-1205, both cash fund and 202 project requests receive an expedited review by the Department, the CDC and the JBC and are not required to be included in the Long Bill.

As of January 1, 2010, with the passage of SB09-290, there are now additional classifications of cash funded projects that have different standards for review. The initial distinction is whether the project costs will exceed \$2 million dollars. If costs do not exceed \$2 million then the project is classified as a SB01-209 project (“209 project”).

All cash funded projects exceeding \$2 million, whether reviewed by DHE or not, are to be reported in the annual Two-Year cash funded list (see section on CC-LCF below) and approved annually by the CDC.

### ***SB01-209 Projects***

Capital projects costing \$2 million or less (SB92-202 Projects) that are not subject to C.R.S. 23-1-106 (9) or (10) and that are above the limit for capital renewals are categorized as SB01-209 projects. These projects must be for repair and replacement, professional services, new facilities/additions, infrastructure improvements, site improvements, fixed equipment, demolition, leasehold improvements, and the purchase of instructional or scientific equipment.

For these projects, no DHE review is required. Instead, institutions should report to DHE all such expenditures for small capital projects for the preceding fiscal year. The next report is due to DHE on September 1, 2009, and will cover FY 08-09 (July 1, 2008 through June 30, 2009). DHE will send the updated report forms to institutions by June 30, 2009; contact DHE at (303) 866-2723 for a copy of the updated form if you do not receive it. DHE compiles the SB 01-209 data into a report which is sent to the CDC by December 1 each year.

### ***Non-Intercept Projects***

Projects costing in excess of \$2 million that are to be constructed solely with cash funds that are not subject to the Higher Education Intercept Program (SB08-245) are to be classified as “Non-Intercept” projects and are not subject to review by DHE, OSPB, CDC, or JBC. Within Non-Intercept projects there are two distinct sub-categories based upon the source of funds and nature of the project.

For each of these types of projects, no DHE review is required. Instead, institutions should submit to DHE all such projects on the annual CC-LCF list in an unprioritized list and prepare for an annual hearing before the CDC.

### **Non-Intercept Academic Cash projects**

Projects that are to be constructed solely with cash funds that are not subject to the Higher Education Intercept Program (SB08-245), that are operated and maintained out of state operational funds, cash funds or a combination of both, and are academic in nature are considered “Non-Intercept Academic Cash projects”. These projects were previously considered “regular cash” or “1205” projects. These projects remain eligible for future Controlled Maintenance funding.

For these projects, no DHE review is required. Instead, institutions submit to DHE all such projects on the annual CC-LCF list in an unprioritized list and prepare for an annual hearing by the CDC.

## **Non-Intercept Auxiliary Cash projects**

Projects that are to be constructed solely with cash funds that are not subject to the Higher Education Intercept Program (SB08-245), that are *constructed, operated and maintained* out of cash funds only, and are auxiliary in nature are considered “Non-Intercept Auxiliary Cash projects”. These projects were previously considered “SB92-202” projects and constructed, operated, and maintained from auxiliary enterprise funds, student fees, research building revolving funds, or wholly endowed gifts and bequests, or a combination of such sources. These projects are not eligible for future Controlled Maintenance funding.

For these projects, no DHE review is required. Instead, institutions submit to DHE all such projects on the annual CC-LCF list in an unprioritized list and prepare for an annual hearing before the CDC.

## ***Intercept Projects***

Projects costing in excess of \$2 million that are to be constructed solely with cash funds that are subject, in whole or in part, to the Higher Education Intercept Program (SB08-245) are to be classified as “Intercept” projects and are not subject to review by DHE, OSPB, CDC, or JBC. Within Intercept projects there are two distinct sub-categories based upon the source of funds and nature of the project.

## **Intercept Academic Cash projects**

Projects that are to be constructed solely with cash funds that are subject, in whole or in part, to the Higher Education Intercept Program (SB08-245), that are maintained out of state operational funds, cash funds or a combination of both, and are academic in nature are considered “Intercept Academic Cash projects”. These projects were previously considered “regular cash” or “1205” projects. These projects remain **eligible** for future Controlled Maintenance funding.

Program plans are required for these projects. Besides being reviewed for the items outlined above, the program plan is examined to ensure that governing board approvals contain the following statements of fact and that sufficient information is provided in the program plan to assure DHE that:

- Sufficient cash funds will be available to pay the capital project costs;
- The earmarked cash funds are appropriate sources considering the nature of the project; and
- The project will not adversely affect the projected operating funds.

Cash-funded projects are referred to the Capital Development Committee and Joint Budget Committee, but due to HB08-1205, are not required to be included in the Long Bill. These projects can be submitted at anytime during the year, but should aim for the August 7, 2009.

## Intercept Auxiliary Cash projects

Projects that are to be constructed solely with cash funds that are subject, in whole or in part, to the Higher Education Intercept Program (SB08-245), that are maintained out of cash funds, and are auxiliary in nature are considered “Intercept Auxiliary Cash projects”. These projects were previously considered “202” projects. These projects remain **ineligible** for future Controlled Maintenance funding.

These projects were formerly considered 202s and are *constructed, operated, and maintained* from cash sources and serve auxiliary functions. These projects are not eligible for state Controlled Maintenance funding in out years. Program plans are required for those projects estimated to cost more than \$2 million and can be submitted at any time during the year, but, if possible, should be submitted by August 7, 2009. The program plans are reviewed for the same items as discussed for the cash-funded projects, with the added requirement that DHE staff must be assured that funds will come from only allowable sources and that sufficient funds will be available to cover both construction and remodeling costs, as well as all operation and maintenance costs.

## DHE Budget Documents and Instructions

### *General*

The following outlines what DHE staff examines in its review of budget documents as well as information on how the forms should be completed. Budget documents should be as complete as possible when submitted to DHE to avoid further inquiries from DHE, CDC and OSPB. Incomplete forms can cause delays in the review process and hinder the ability of DHE and CDC to approve project requests.

The capital construction budget requests (CC-C and CC-IT forms) are the primary project request forms for all higher education individual projects, while the five-year state funded capital construction plan (CC-P form) and the two-year cash funded construction plan (CC-LCF form) show the relationship of the individual projects to past, current, and projected projects from the same institution and governing board. **DHE must review all budget documents from state-supported higher education institutions before referral to the OSPB when necessary, the CDC, and the JBC. All additions, deletions, or changes must be submitted to DHE who then reviews and, upon approval, submits these changes to the CDC, OSPB and the JBC.**

An individual project is one that can stand alone and may not necessarily require additional appropriations to complete. An individual project may also be a stand-alone project that will require phased appropriations for professional services, construction and equipment. For example, a new state-funded building may require enough time in the design phase that it would be appropriate to request professional services appropriations in year one of the project and construction and equipment funding in subsequent years. In this case CC-C forms should be submitted in each year the project requests an appropriation. For projects requesting phased funding, each phase must be a distinct portion of work that can stand alone. Also, a four-phase addition to a building could be submitted as four individual projects if each addition could be completed separately as a stand-alone project. In this case, a CC-C form and program plan could be completed for each phase. For all cash-funded projects, institutions should request total project funding in year one if they are planning on bonding the full amount.

For capital renewal projects, no CC-C forms are necessary. Instead, the CM-03 forms (obtained from the Office of the State Architect) and required accompanying documentation double as both budget forms and program plans.

## ***Capital Construction Budget Requests (CC-C, CC-IT)***

### **Description of: CC-C & CC-IT**

The CC-C forms are for new buildings, building expansions or renovations, or related capital projects; the CC-IT forms are for information technology projects that may have a small portion for renovations or additions related to information technology (see Appendix B). Both the CC-C and CC-IT forms consist of two parts: a project cost and approval sheet (MS Excel format), and support information (MS Word format). The project cost and approval sheet is a spreadsheet showing the project phasing, source of funds, and the amounts that will be spent in each major category. The support information gives institutions a way to describe the project and project costs in a more concise format than the program plans. The CC-C and CC-IT forms are the primary documents that OSPB and the General Assembly use for evaluating projects. DHE checks the forms for conformance with the program plans (program plans either submitted for FY10-11, if new, or with approved program plans if continuation projects). DHE staff ensures budget documents are submitted for each year that an appropriation is sought.

In some cases, both a CC-C and a CC-IT form should be submitted for a project that involves both construction of new spaces or renovations and the purchase of information technology (IT) equipment. If a construction project also includes information technology upgrades with a total cost of \$2 million or more, the total project cost should be included on the CC-C, but the CC-IT should delineate the types of required IT equipment. The CC-IT in this case would be the detail to the CC-C. If the total cost of information technology equipment is more than \$2 million and the accompanying building renovations and additions are only a small portion of the total cost, just the CC-IT should be submitted.

The budget documents for continuation projects--those that have received at least one previous appropriation--are checked for conformance with the allowable inflation factor as determined by (1) OSPB and (2) previous DHE actions. (1) For FY10-11 OSPB will provide guidance on adjusting for inflation in its published instructions (<http://www.colorado.gov/ospb>). (2) If DHE approved a project for architectural and engineering funds only, for example, funding beyond the architectural and engineering stage should be footnoted on the budget request forms as requiring additional DHE approval. If an institution's cost estimate for a continuation project has changed since the previous year, the institution should update the CC-C and support information forms to reflect the new numbers and submit a memo detailing the reasons for the increase in cost.

DHE will review all budget estimates for appropriateness with industry standards and trends. If a project contains particularly high costs in a given area such as equipment costs, those costs should be listed and fully defended in a program plan.

The forms should be submitted via email to; [dan.krug@dhe.state.co.us](mailto:dan.krug@dhe.state.co.us), the required one hard copy should be sent by mail to DHE Capital Assets, 1560 Broadway, Suite 1600, Denver, Colorado 80202 Attn: Dan Krug. The CC-C and CC-IT project cost and approval sheets differ; instructions for completing both follow. Because the support information for both the CC-C and CC-IT forms is the same, instructions for completing the support information forms are combined for both.

## Instructions for: CC-C

- **Project Title** is the name of the project that must be used throughout on all documents submitted to CCHE and the Office of the State Architect.
- **Project Year** should describe the year of the project in terms of how long it is seeking funding. For example, if the project is seeking its first appropriation, this should indicate year 1 of 2. If the project received funding in a prior year and is seeking a second round of funding, this should indicate year 2 of 3.
- For **Agency or Institution**, write in the name of the institution seeking funding.
- **Priority Number** is the institution's ranking of a state-funded project, and should be written to indicate how many projects the institution is prioritizing (i.e., 2 of 5). For 100% cash funded projects, this should be entered as "N/A" as cash projects are not prioritized.
- **State Controller Project No.** is the number assigned by the State Controller's office if the project has already received at least one appropriation.
- **Name of Preparer** is the name of the person preparing the form; include the email address. This should be the person whom is to be contacted by DHE should there be questions about the form.
- **Signature of Department or Institution Approval** is for the name and date of approval of the institution's president or his/her designee.
- **Signature CCHE Approval** is for the date CCHE approved a project.
- **Signature OSPB Approval** is for the date OSPB approved a project (if required).
- **Revision?** Sometimes CC-C forms are submitted to revise numbers for the same project. If the request is submitting a change to a form for that project already submitted to the CDC, then check yes for "Revision?" and include the date of the last submission to the CDC (the date is the date signed by OSPB).

The rest of the form should be completed as described below.

This cover sheet shall include all costs associated with all phases of the capital construction project. If the project will require additional funds to complete in subsequent years, list those funds required for the following five years.

- A. **Land Acquisition.** If this project will include a cost to acquire land, enter the amount here.
- B. **Professional Services.** Enter the total requested, all prior appropriations, and amount requested for each applicable year for all items. Do not include an amount under "Prior Appropriation" unless it appeared in a previous Long Bill or separate appropriation bill.

- B-1 **Master Plan/PP.** Circle or boldface either “master” or “PP” (for program plan) to indicate the correct plan. Include total cost requested to complete plan.
- B-2 **Site Surveys, Investigations, Reports.** Identify other engineering design fees, not related to the physical structure, such as civil engineering for site grading, sewage treatment, water treatment, traffic, etc. Include the estimated costs for site topographic information, utility surveys, soil tests and reports, and other tests required by the specifications (e.g., concrete strength, weld tests, etc.) Testing for the existence of asbestos and air monitoring during remediation also should be included here.
- B-3 **Architectural/Engineering/Basic Services.** Identify all fees for the design of the building. These include architectural design, structural engineering, mechanical engineering, and all special consultants such as fire protection, acoustics, information technology, etc.
- B-4 **Code Review/Inspection.** Include the cost for an independent third-party review for compliance with the building codes as required by the Department of Personnel/GSS per Section 24-30-1303(1)(r), C.R.S.
- B-5 **Construction Management.** If applicable, include the construction manager fee. Note that only paid, outside consultants are allowed. No departmental FTE can be paid through capital construction.
- B-6 **Advertisements.** Include advertisement costs.
- B-7a **Inflation for Professional Services.** Enter the total dollars attributed to inflation
- B-7b **Inflation Percentage Applied.** Enter inflation percentage used. Percentage increases **MUST** be defended in the narrative portion of the document, or 0% inflation will be recommended by OSPB.
- B-8 **Other (Specify).** Include all additional anticipated professional fees for the project. Specify fees associated with the new High Performance Certification Program. Specify the type of fee or fees. Please note that tap fees are not professional service fees.
- B-9 **Total Professional Services.** Enter total of items B-1 through B-8 (do not add in the percentage from B-7b). If this amount exceeds 10 percent of line C-4, “Total Construction Cost,” for a new facility or 15 percent for a renovated facility, attach a written explanation to justify higher costs than generally allowed.
- C. Construction.** This section displays the total amount of money requested for the project. Do not include an amount under the column “Prior Appropriation” unless funds were appropriated in a previous Long Bill or other separate appropriation. Estimates should be based on the anticipated cost of construction for July of the year for which the appropriation is requested. Inflation, if needed, is applied in the request year and subsequent years per the inflation factor set by the OSPB.
- C-1 **Infrastructure**

- (a) *Services/Utilities.* The building construction cost (C-1) will include utilities to a point five feet outside the building. The utilities cost should include all other costs associated with getting power, water, gas, telephone lines, sewer, etc., extended from the nearest source to within five feet of the building(s). Include water or tap fees paid to other governmental entities, in this line. Do not include funds for other infrastructure reserves. Other infrastructure projects resulting from the impact of the requested project should be submitted as a separate capital construction project request(s).
- (b) *Site Improvements.* Include all the excavation and backfill costs to prepare the site and all other work such as clearing, leveling, asphalt paving, curb and gutter, walks, site lighting, drainage structures, etc. All work related to landscaping should be included here. Examples include: sod, trees and bushes, and irrigation systems.

C-2 **Structure/Systems/Components.** Include the estimated cost for the construction of the building(s). The cost should include utilities to a point five feet outside the building line. Provide the gross square footage of the new facility or the gross square footage to be renovated next to “GSF” in the first column on the left. The cost of temporary power, water, etc., during construction provided by the state cannot be included. Include basic pricing in the following categories as they pertain to the specific project:

- (a) *New (\$\_\_\_\_\_ / GSF)*
- (b) *Renovated (\$\_\_\_\_\_ / GSF)*

C-3 **Other (Specify).** Include any asbestos remediation and any demolition as line item costs here; specify those and other construction costs.

C-4 **High Performance Certification Program.** Include all anticipated construction, materials, and equipment costs associated with complying with the High Performance Certification Program. These additional costs must comply with statute, if not, a waiver is required from the Capital Development Committee.

C-5a **Inflation for Construction.** Enter the total dollars attributed to inflation

C-5b **Inflation Percentage Applied.** Enter inflation percentage used. Percentage increases MUST be defended in the narrative portion of the document, or 0% inflation will be recommended by OSPB.

C-6 **Total Construction Costs.** Add C(1) through C(5a) and enter the total here.

## D. **Equipment and Furnishings.**

D-1 **Equipment.** Enter the cost of the equipment required for the project. This item should include equipment that can be moved and reused even if it is a built-in and would not be included in the general construction contract. Examples include equipment for kitchens, laboratories, laundries, shops, medical facilities, stages, communication, etc. Computer and Network Equipment includes workstations,

file servers, routers, hubs or switches, printers, scanners, and other required hardware. Include in this line movable partitions, work surfaces, etc., which are part of the offices and workstations. If the total cost of all computer and information technology (IT) equipment and wiring included in D-3 exceeds \$2 million, a CC-IT form must be completed in addition to including the costs in lines D-1 through D-3. All scientific or instructional equipment costing \$50,000 and having a life expectancy of five years or greater is considered capital construction. **For clarification on what is not considered capital construction, see Capital Construction Definitions listed in Appendix B of this instruction manual.**

- D-2 **Furnishings.** The cost of the furniture and other items necessary to complete the project for occupancy should be included here. These items would not normally be a part of the general construction contract. Examples are window coverings, cabinets, wardrobe, desks, chairs, tables, seating, etc.
- D-3 **Communications.** Include the costs associated with telephones and other communications here, such as the purchase and/or installation of fiber optic cable or other wiring for voice, Internet, intranet, local area network, and/or audio conferencing capabilities. Do not include cost of equipment for programs related to communication, computers, or other devices for audio or video equipment. They are part of equipment, included in D-1.
- D-4a **Inflation on Equipment and Furnishings.** Enter the total dollars attributed to inflation
- D-4b **Inflation Percentage Applied.** Enter inflation percentage used. Percentage increases **MUST** be defended in the narrative portion of the document, or 0% inflation will be recommended by OSPB.
- D-5 **Total Equipment and Furnishings Cost.** Add D-1 through D-4a and enter the total here. If the "Total Equipment and Furnishings Cost" exceeds 10 percent of Total Construction Cost, attach an itemized list for both "Equipment" and "Furnishings."

## **E. Miscellaneous**

- E-1 **Art in Public Places.** Section 24-80.5-101, C.R.S., requires that "not less than one percent of the capital construction cost" shall be used for the acquisition of works of art when appropriate. This requirement applies to all new construction projects, and all renovation projects of more than \$2 million. The 1% requirement does not apply to telecommunications, information technology, capital renewal, or controlled maintenance projects or to projects that are exclusively cash-funded. Apply the applicable percentage to line C-5 of the project cost sheet. Specify the amount dedicated for this program. Agencies need count only the state-funded portion of the construction request, and only if that amount is to be appropriated (certificates of participation are typically not appropriated). However, OSPB strongly encourages departments and institutions to apply the 1% to all fund sources of construction.

E-2 **Building Maintenance Fund.** The Office of State Planning and Budgeting strongly recommends that future deferred maintenance be funded for the requested project by the establishment of a building maintenance fund. Please enter the amount of the project that will be placed into the fund, by year, so that enough will be accrued in fifteen years to avoid state-funded Controlled Maintenance.

For each new capital construction project (creating a new building or totally renovating an existing one) it is recommended that the agency or institution initially set aside 1% of the construction cost at a minimum into an interest bearing account for future controlled maintenance needs and, if possible, add to that account annually 1% of the Current Replacement Value (CRV) from operating/maintenance funds. The account should not have to be accessed for at least ten to fifteen years after project completion. This time frame is based on the expected useful-life of materials, equipment and building systems and the need to design and construct higher quality, more durable buildings in compliance with the High Performance Building Certification Program legislation. These assumptions must be described in the CC-C Word document under Section 11 Calculations. If no fund is established, the agency or institution should explain why on the Word document.

E-3 **Relocation Costs.** For some projects it will be necessary to temporarily move some or all of the occupants and equipment to another facility. Those moving costs should be shown here. The cost of renting or leasing temporary space should NOT be included here. Lease costs are operating expenses.

E-4 **Other (Specify).** Enter all other costs here.

E-5 **Total Miscellaneous Costs.** Add E-1 through E-4 and enter the total here.

F. **Total Project Costs.** This is the total estimated cost of the project. Add A-1, B-9, C-6, D-5, and E-5 and enter the total here for each year that appropriations are requested.

G. **Project Contingency.** These lines provide the contingency for the entire project. Each institution should plan for these funds to be reverted upon completion of the project. Contingencies are established for unanticipated project costs. Add B-9, C-6, D-5, and E-5 and multiply the appropriate percentages. Project contingencies for all new construction, equipment purchases, or facility-related planning studies will be 5% of the total project cost, excluding land acquisition costs. Contingencies for project renovations will be 10% of total project costs, also excluding land acquisition costs. Projects involving both renovation and new construction must indicate how the contingency was calculated. Institutions deviating from these percentages must justify the request on the CC-C Word Document in “Section 11 Calculations” for funding consideration. Appropriate use of project contingency funds is outlined in the Office of the State Architect’s Procedures Project Cost and Management Guidelines. All contingency costs must be reported on the Capital Construction Project Application Form (SC 4.1) after project completion. Remaining balances are to revert to the Capital Construction Fund.

H. **Total Budget Request.** Add items F and G-3 and enter the total here.

## I. Source of Funds.

- **"CCF" is Capital Construction Funds.** These monies would include funds transferred into the Capital Construction Fund, which is designated as a reserve fund in Section 24-75-302 (1) (a). Expenditures from the Capital Construction Fund are outside the spending limits of Article X, Section 20 of the Colorado Constitution (the TABOR amendment).
- **"CF" is Cash Funds.** Cash Funds are those funds derived from fees, tuition, other earmarked funds, grants, donations, damage awards, revenues from designated enterprise functions (student housing and dining, bookstore, student union, etc.), and from sales of university-owned property (where specific provisions exist to not require the funds to revert to the General Fund). The General Assembly may also appropriate funds to a cash fund or trust fund from another source.

When Federal Mineral Lease certificates of participation (COPs) or pay-as-you-go funding is requested, this is shown as Cash Funds with a clarifying notation. COPs are lease-purchase agreements that provide for a lump sum of money that is paid off over a number of years. Institutions should use the same planning process and timelines outlined within this budget manual for submitting all projects requesting state funds. Institutions of higher education may receive Capital Construction Funds, FML pay-as-you go funding, or COPs in lieu of Capital Construction Funds. At this time, due to current FML revenue forecasts and recent budget balancing action affecting the fund balance, OSPB does not anticipate recommending FML COPs for FY10-11.

- **"RF" is Reappropriated.** Include funds appropriated more than once in the same fiscal year and typically have been transferred from one agency to another.
- **"FF" is Federal Funds.** Any funds received directly from the federal government; includes categorical or block grants not necessarily available for uses outside of those specified in the grant award.

## Instructions for: CC-IT

- **Project Title** is the name of the project that must be used throughout on all documents submitted to CCHE and the Office of the State Architect.
- **Project Year** should describe the year of the project in terms of how long it is seeking funding. For example, if the project is seeking its first appropriation, this should indicate year 1 of 2. If the project received funding in a prior year and is seeking a second round of funding, this should indicate year 2 of 3.
- For **Agency or Institution**, write in the name of the institution seeking funding.
- **Priority Number** is the institution's ranking of a state-funded project, and should be written to indicate how many projects the institution is prioritizing (i.e., 2 of 5). For 100% cash funded projects, this should be entered as "N/A" as cash projects are not prioritized.

- **State Controller Project No.** is the number assigned by the State Controller’s office if the project has already received at least one appropriation.
- **Name of Preparer** is the name of the person preparing the form; include the email address. This should be the person whom is to be contacted by DHE should there be questions about the form.
- **Signature of Department or Institution Approval** is for the name and date of approval of the institution’s president or his/her designee.
- **Signature CCHE Approval** is for the date CCHE approved a project.
- **Signature OSPB Approval** is for the date OSPB approved a project (if required).
- **Revision?** Sometimes CC-C forms are submitted to revise numbers for the same project. If the request is submitting a change to a form for that project already submitted to the CDC, then check yes for “Revision?” and include the date of the last submission to the CDC (the date is the date signed by OSPB).

The rest of the form is completed as described below.

This cover sheet shall include all costs associated with all phases of the information technology project. If the project will require additional funds to complete in subsequent years, list those funds required for the following five years. The following rows of this section are explained in more detail as follows:

- A. **Land Acquisition.** If this project will include a cost to acquire or lease land, enter the amount here.
- B. **Contract Professional Services.** Enter the total requested, all prior-year appropriations, and amount requested for each applicable year for all items. Do not include an amount under “Prior Appropriation” unless it appeared in a previous Long Bill.
  - B-1 **Consultants/Contractors.** Enter consultant and/or contractor costs for project development (i.e., consultant/contractor costs not included in other professional service categories).
  - B-2 **Quality Assurance.** Identify all consultant fees for the quality assurance portion of this project.
  - B-3 **Independent Verification and Validation.** This is intended as a third-party review performed by the Governor’s Office of Information Technology. **This review is not required for institutions of higher education.**
  - B-4 **Training.** Include all training costs associated with initial roll-out of the project. This includes first-time training costs only. Ongoing or periodic training is an operating fund expense. Training cannot pay for state FTE.
  - B-5 **Leased Space (Temporary).** If applicable, include costs associated with leasing space for consultants working on the project.

B-6 **Feasibility Study.** This is for preparing a feasibility study per the Office of Information Technology criteria. **This review is not required for institutions of higher education.**

B-7a **Inflation for Professional Services.** Enter the total dollars attributed to inflation

B-7b **Inflation Percentage Applied.** Enter inflation percentage used. Percentage increases **MUST** be defended in the narrative portion of the document, or 0% inflation will be recommended by OSPB.

**B-8 Other Services/Costs.** List and describe any other cost related to this project.

B-9 **Total Professional Services Cost.** Enter the sum of items B-1 through B-8 (do not add in the percentage from B-7b).

**C. Associated Building Construction.** This section displays the total amount of money requested for building construction needed to support the information technology request. Estimates should be based on the anticipated cost of construction for July 1 of the year for which the appropriation is requested.

C-1 **New (GSF).** Include the estimated cost for the construction of the building. The cost should include utilities to a point five feet outside the building line. Provide the gross square footage of the new facility in the far left column. Include any hazardous substance remediation or any demolition costs here. The cost of temporary power, water, etc., during construction provided by the state cannot be included. Include the basic pricing on the next line in the far left column.

(a). New (\$ /GSF)

C-2 **Renovate/Connection Costs (GSF).** Include the estimated cost for renovation of an existing building. The cost should include infrastructure connections. Provide the gross square footage to be renovated with this item. Include any asbestos remediation and/or any demolition costs here. The cost of temporary power, water, etc., during construction provided by the state cannot be included. Include the basic pricing on the next line in the far left column.

(a). Renovate (\$ /GSF)

C-3 **Site Work/Landscaping.** Include all the excavation and backfill costs to prepare the site and all other work such as clearing and grubbing, asphalt paving, curb and gutter, walks, site lighting, drainage structures, etc. All work related to landscaping should be included here. Examples include, sod, trees and bushes, and irrigation systems.

C-4a **Inflation for Construction.** Enter the total dollars attributed to inflation

C-4b **Inflation Percentage Applied.** Enter inflation percentage used. Percentage increases **MUST** be defended in the narrative portion of the document, or 0% inflation will be recommended by OSPB.

C-5 **Total Construction Costs.** Add C-1 through C-4a and enter the total here.

#### **D. Software Acquisition.**

- D-1 **Software COTS.** Include the cost of commercial of-the-shelf software needed to implement the project.
- D-2 **Software Built.** Include the costs associated with developing new custom software. This should be separate from general professional service fees.
- D-3a **Inflation for Construction.** Enter the total dollars attributed to inflation
- D-3b **Inflation Percentage Applied.** Enter inflation percentage used. Percentage increases **MUST** be defended in the narrative portion of the document, or 0% inflation will be recommended by OSPB.
- D-4 **Total Software Cost.** Add D-1 and D-3a and enter the total here.

#### **E. Equipment**

- E-1 **Servers.** Enter the cost of all servers.
- E-2 **PCs, Laptops, Terminals, PDAs.** The cost of new personal computers, laptops, terminals, and personal digital assistants (PDAs) should be included here. Identify the costs of those items that are required for the implementation of the new technology system.
- E-3 **Printers, Scanners, Peripherals.** Include the costs associated with printers, scanners, and peripherals related to the implementation of the new technology system.
- E-4 **Network Equipment/Cabling.** Include costs associated with network equipment.
- E-5 **Other (Specify).** Specify costs associated with other equipment.
- E-6 **Miscellaneous Costs.** Specify other costs not included elsewhere and enter the total here.
- E-7 **Total Equipment and Miscellaneous Cost.** Add E-1 through E-5 and enter the total here.

**F. Total Project Cost.** This is the total estimated cost of the project. Add A-1, B-8, C-4, D-3, E-6, and F-1 and enter total here.

**G. Project Contingency.** These lines provide the contingency for the entire project. Each institution should plan for such state funds to be reverted upon completion of the project. The project contingencies are for unexpected costs that occur during project implementation, and therefore property acquisitions are not considered in the contingency calculation. Add B-9, C-6, D-5, and E-7 and multiply the appropriate percentages explained below. Project contingencies for all new construction, equipment purchases, or

information technology-related planning studies will be 5% of the total project cost. Contingencies for project renovations will be 10% of total project costs. Agencies deviating from these percentages must justify the request in writing in the CC-C support form.

**H. Total Budget Request** Add items F and G-3 and enter the total here. Fund splits must be included.

**I. Source of Funds.**

- **"CCF" is Capital Construction Funds.** These monies are funds transferred into the Capital Construction Fund, designated as a reserve fund in Section 24-75-302 (1) (a). Expenditures from the Capital Construction Fund are outside the spending limits of Article X, Section 20 of the Colorado Constitution (the TABOR amendment).
- **"RF" is Reappropriated** Include funds appropriated more than once in the same fiscal year and typically have been transferred from one agency to another.
- **"CF" is Cash Funds.** Cash Funds are those funds derived from fees, tuition, other earmarked funds, grants, donations, damage awards, revenues from designated enterprise functions (student housing and dining, bookstore, student union, etc.), and from sales of university-owned property (where specific provisions exist to not require the funds to revert to the General Fund). The General Assembly may also appropriate funds to a cash fund or trust fund from another source.

When Federal Mineral Lease certificates of participation (COPs) or pay-as-you-go funding is requested, this is shown as Cash Funds with a clarifying notation. COPs are lease-purchase agreements that provide for a lump sum of money that is paid off over a number of years. Institutions should use the same planning process and timelines outlined within this budget manual for submitting all projects requesting state funds. Institutions of higher education may receive Capital Construction Funds, FML pay-as-you go funding, or COPs in lieu of Capital Construction Funds. At this time, due to current FML revenue forecasts and recent budget balancing action affecting the fund balance, OSPB does not anticipate recommending FML COPs for FY10-11.

- **"FF" is Federal Funds.** Any funds received directly from the federal government; includes categorical grants or block grants not necessarily available for uses outside of those specified in the grant award.

## **Instructions for: CC-C and CC-IT Support**

The Word document that accompanies the CC-C and CC-IT Excel forms are the same. Use the CC-C Word Document for capital construction and information technology projects. After submission to DHE, requesters typically receive comments or questions from DHE. The responses to the questions are expected to be integrated into the revised form before signature (not simply answered via email) so that the information is there for the Capital Development Committee and the Joint Budget Committee.

## **Section 1: Summary Information**

- All items must be completed as indicated. Do not leave any rows blank. Use N/A only if appropriate. Replace empty checkboxes () with checked boxes as necessary () from the symbols list.
- Indicate the year out of years for the request year project. If the project is or will be continuation project, multiple years would be affected. Example: “Year 2 of 3.”
- With each version of the request, keep the dates submitted to DHE, OSPB, and CDC current. The CDC date is typically the dates on the calendar on which OSPB submits the packet to the CDC and JBC. Please consult OSPB to obtain the date if it is not known.
- Purpose Code. See Appendix D for a complete list of codes.
- Project Name should be the exact same as the project title on the CC-C or CC-IT Excel form. Please do not use acronyms in the title.
- A previous section of this chapter discussed the 6 month rule. If a waiver of the six month rule is being requested, mark in this section where indicated.
- Double click on the header to enter the agency name and project name. The Project Name should be the exact same as the project title on the CC-C or CC-IT Excel form. Please do not use acronyms in the Project Name.

## **Section 2: Type of Request**

- Due to the multiple types of requests, and the different entities involved according type of request, please complete Section 2 of the CC-C Word form.
- Please check all that apply.
- Instructions are provided on the form. If there are additional questions, please contact OSPB.

## **Section 3: Criteria for Request**

- This section is used to specify which of the criteria required in Section 11.4 of this chapter is met. Please mark the criterion(ia) that is met by this request. Mark all that apply.
- Succinctly describe how the criteria is met. OSPB will use this description to determine if the criteria is met (the entire request will not be reviewed). When OSPB believes based on this section that the criteria is met, OSPB will resume review.
- Examples are provided of how a description clarifies that criteria is met for marked items. These are examples only and are not actual projects approved for FY10-11 submissions. Actual submissions should be concise and use approximately this much text.

a. 100% Cash or Federally Funded Project	X	This project is 100% federal funding from the ARRA Brownsfield Redevelopment Program
b. Urgent AND Critical Life / Safety Project	X	The old science building is full of asbestos containing materials (ACM) and is no longer safe to occupy. The ACMs are contained in all sprayed-on acoustical ceilings, wall insulation, pipe insulation and structural fireproofing. Due to the deteriorating condition of the ACMs and their direct exposure to the buildings occupants and mechanical systems, the building has been abandoned. A cost-benefit analysis has determined that demolition and new construction is more cost effective than abatement. Adequate temporary facilities for the program cannot be found.
b. Urgent AND Critical Life / Safety Project	X	The old science building laboratories are old, deteriorating and antiquated. New procedures and program delivery methods are required to meet current research standards. The program has been officially notified that without the required corrective upgrades that its certification will be revoked.
c. Project Originally in HJR 08-1042	X	This is the E.S. French Renovation unfunded project of the Northeastern Junior College in HJR 08-1042 and progress has not been made due to lack of funds.
d. FY09-10 Project prioritized at "10" or higher on CCF, FML, or HUTF List	X	This project is Digital Trunked Radio Buildout which was ranked #7 by OSPB December 10, 2009 for FY09-10 but was not funded for FY09-10.
e. Continuation Project from Prior Appropriation	X	The CITA project is a continuation project from FY09-10 scheduled for FY10-11 funding of \$10,686,173
f. Statutorily required COP payment for capital construction	X	This is the annual payment for the CSP II certificates of participation.

The institutions of higher education will use criterion 3g for projects that must be reviewed as required by DHE instructions but do not meet any other criterion.

- Examples are provided of how a description clarifies that criteria is **NOT met** for marked items. These are examples only and are not actual projects approved for FY10-11 submissions. Actual submissions should be concise and use approximately this much text.

a. 100% Cash or Federally Funded Project	X	This project is 75% federal funding but requires 25% state match to obtain the funds
b. Urgent AND Critical Life / Safety Project	X	Concrete is crumbling along the pathway to one of the parking garages, but there are other pathways available
b. Urgent AND Critical Life / Safety Project	X	The fans require maintenance approximately once per quarter in order to ensure adequate air circulation
b. Urgent AND Critical Life / Safety Project	X	A program at the school is expanding therefore additional space is needed.
d. FY09-10 Project prioritized at “10” or higher on CCF, FML, or HUTF List	X	This project is Department Wide Facilities Master Plan which was ranked #29 by OSPB December 10, 2009 for FY09-10 but was not funded for FY09-10.

#### **Section 4: Brief Summary of FY10-11 Capital Project**

This section is meant to be short; a quick place that analysts can go to get the basic outline of the request. Briefly explain the requested project stating exactly what is being requested, the purpose, the project dollar amount for the request year, and describe the entire time period of the project. This section should stand on its own as a general, succinct, complete summary of the request. Leave background and supplementary information for Section 10. This section should be three – eight lines of text.

#### **Section 5: Continuation History**

Complete the table if the project has received state capital construction funds in a prior fiscal year. If yes, fill out the project’s prior phase expenditures in the provided table, by fund source. Bill numbers must be provided for all appropriations at the bottom of the table. If this is not a continuation request, indicate so by checking the box provided.

#### **Section 6: Objectives**

Two rows are provided. The first row is for projects that encompass more than one fiscal year. The objectives should discuss the project as a whole, crossing the years, and its outcomes. The second row is meant to focus objectives on the request year only and should specify exactly what goals will be met in the FY10-11. These goals should be distinct; illustrating the benefit even if out years cannot be funded. The objectives should relate to programmatic needs. At project completion the institution will confirm

attainment of the objectives with the submittal of the final SC 4.1 form.

If the project encompasses a single year, complete only the second row and indicate not applicable for the first row by checking the box provided.

**Section 7: Entire Estimated Project Timetable**

This table is meant to reflect the annual phases, by fiscal year, as the project crosses fiscal years. The table must show the reviewer the specific steps that will be taken over the years to complete the final project. This table is typically 5-10 rows in length, but may be longer. At a minimum, include the milestones discussed in Section 11.9. Here is an example of a complete Project Timetable for a large project:

**Example**

<b>7. ESTIMATED ENTIRE PROJECT TIMETABLE:</b>			
<b>Steps to be Completed</b>	<b>Start Date(s)</b>	<b>Completion Date(s)</b>	<b>Year</b>
(Funded in FY 2008-09) Complete Design for Phase I and II construction. Physical construction in the following units: CMHIP LAU (Bldg #137), CMHIFL renovation of the G-2 wing in H/MSG Bldg. for future patient relocations. Includes A/E contracting and design for the first and second Construction Phases	July 2008	March 2009	1
Design for Phase III construction. Physical construction in the following units: CMHIP Units 67 and 69 in Bldg. #116. CMHIFL Teams 1 and 3 in 'E' Bldg.	April 2009	February 2012	2
Design for Phase IV construction. Physical construction in: CMHIP SLP and F-5 in Bldg. #106. CMHIFL Unit #5 in E Bldg and Team 2 in Bldg. F-2.	July 2010	February 2013	3
Design for Phase V construction. Physical construction in: CMHIP Units 79N and 79S in Bldg. #106. CMHIFL Geriatrics in H/MSG Bldg. and AIS in Bldg. F-3.	July 2011	March 2014	4
Physical construction in: CMHIP Medical Surgical Unit in Bldg. #125 and Treatment areas in Bldg. #131. CMHIFL Children's in Bldg. F-1 and Mountain Star in H/MSG Bldg. Project close-out.	July 2012	June 2015	5
Equipment Phase. New furnishings will be installed on each patient unit after renovation is complete.	July 2015	October 2015	6
Commissioning and Testing. Any commissioning or testing required will be accomplished with the unit renovation.	October 2015	February 2016	6
Occupancy. Each patient unit will be reoccupied after renovation is complete.	March 2016	April 2016	6

## Section 8: FY10-11 Specific Timetable

This table is meant to reflect the more specific steps that will occur in the request year (FY10-11), by fiscal year, as the project crosses fiscal years. The table must show the reviewer the specific steps that will be taken over the year to complete the final project. This table is typically 3-7 rows in length, but may be longer.

<b>8. FY 2010-11 SPECIFIC TIMETABLE:</b>		
<b>Steps to be Completed</b>	<b>Start Date(s)</b>	<b>Completion Date(s)</b>
Construct Infill Addition, includes CM/ME Annex	April 2009	Dec 2009
Renovate 2 <sup>nd</sup> floor, includes leveling floor in 3 rooms	May 2009	August 2009
GS Drill Field	May 2009	August 2009
PV System	May 2009	August 2009
Physical Planning	Jul 2009	Oct 2009
Construction	Nov 2009	Jul 2010
Continue Renewal of Building	Dec 2009	Dec 2010
Equipment	Aug 2010	Aug 2010
Occupancy	Aug 2010	Aug 2010

## Section 9: Impact

In this tight budget environment, it is particularly important that OSPB and the General Assembly is aware of the practical yet actual impact if projects are not funded. Section 9.a. should be completed factually, explaining what the agency or institution would do to address the problem should the funding not be provided. The agency or institution should describe the construction and/or non-construction options considered that could alleviate the problem that prompted this request. It is important that all alternatives be considered. The true impact of status quo; that is, not funding this request, should be explained clearly.

Section 9.b. requires a description of the impact to the State operating budget. This section helps identify if an operating budget request should accompany the capital request. Institutions of higher education do not submit operating budgets, so can reply "N/A" to this question, but any non-higher education agency must explain how the State's operating budget will be affected if space is increased, programs are expanded, or programmatic changes are made. The document should confirm when an operating request was or would be submitted. Capital requests that do not delineate an operating impact may not get operating needs funded. Fund sources should be provided and the cost of the first year may be a partial year.

Section 9.c. requires the agency or institution to describe any impact to the planning documents that have been completed. If the request results in a change to planning documents, an amendment to the planning document should be submitted simultaneously, explaining why. In that case, this response should refer to the specific attached plan or amendment and describe exactly what has changed. Page number references should be included.

## **Section 10: Justification**

This is the bulk of the request. This section should fully justify and defend the request. This will be the most lengthy section of the request. Include all necessary detail and specific scope of work. The response should describe how much space is needed, what types of rooms or equipment are included and why, and illustrate where on the campus building's footprint the project will be executed. This section should explain what is wrong with the current situation and why a new or different building or capital expenditure is needed. The department or agency should focus more on why the current facilities are insufficient, less on why the current programs are driving change.

Background information, prior appropriations, grants and donations, and agency or board approval should be discussed in this section as well.

Typically, this section would be one to two pages in length.

## **Section 11: Calculations**

In this section, agencies and institutions must describe how the numbers on the CC-C Excel form were calculated. Please enter the information in the right hand column. Only the request year, in this case, FY10-11, needs to be described. Out years will be requested and defined separately.

OSPB will review all budget estimates for appropriateness according to industry standards and trends. If a project contains particularly high costs in a given area such as equipment costs, those costs should be listed and justified. If the following are completed on the CC-C Excel form, the calculations for that number must be described in this section

- Land purchase
- Professional services
- Construction
- List of equipment and furnishings that total to amount CC-C Excel form. For example, if the CC-C Excel form asks for an amount for furnishings, and \$335,260 is entered, this section would describe that there are 45 cubes at \$3,998 (OSPB Common Policy), 45 computers at \$1,230 for \$55,350, and \$100,000 for conference table with 15 chairs. For large projects, the list can group like types of equipment and furnishings to make the list of reasonable length for the request. For example, it would not be sufficient to have one amount for furnishings and one for equipment. But for a large project, furnishings could be grouped into categories such as carpeting, desks, chairs, window treatments, etc. A smaller project may need to break down the types of chairs so the extent of the furnishings cost is defended. Equipment and furnishings should not be estimated as a rough percentage of project cost.
- Art in public places: describe what portions of project apply and calculation used.
- Inflation assumptions.
- LEED cost assumptions
- Describe the assumptions for the Building Maintenance Fund. OSPB strongly recommends that future Controlled Maintenance be funded for the requested project by the establishment of a building maintenance fund. Please describe the assumptions for the amount placed into the fund, by year, which should be

enough to accrue over fifteen years to avoid state-funded controlled maintenance.

Provide calculations for other numbers as necessary to defend the request amount in the rows labeled “other.”

### **Section 12: Cash Fund Projections**

If the request involves a cash fund source, this section must be fully completed. If no cash funds are involved, please mark the box in the first row.

If the project is being financed, the table must describe the terms of the bond, including the length of the bond, the expected interest rate, when the agency plans to go to market, and the expected average annual payment.

For each cash fund requested as a source of funds (identify by fund number), please indicate the actual FY 2008-09 cash fund balance, the current fund balance, the projected FY09-10 cash fund balance, the projected FY10-11 cash fund balance, and the projected FY11-12 cash fund balance. Projected balances must reflect the projected year end balance after all other obligations and encumbrances are accounted for. The agency or institution should also describe specifically how revenue accrues to the fund.

All components for each source of cash funds must be completed.

### **Section 13: Related Projects**

The Capital Development Committee has requested context for all of the projects. Members have asked that agencies and institutions list all of the other projects that are underway, pending, or capital construction and controlled maintenance requests for FY10-11 affecting the agency or institution. For submissions to OSPB, this list does not need to include 100% cash funds projects for institutions of higher education.

For all underway, pending, and FY10-11 requested projects by the agency or institution, the year the project was to be started, the project number from the State Controller, the name of the project, and Capital Construction Funds appropriated or requested should be included.

### **Section 14: Program Plan**

This section of the document must be used to describe any changes to this project on the Program Plan, Master Plan, or Five Year Plan since its latest submission to the Capital Development Committee.

### **Section 15: Additional Information**

Departments and institutions can supplement the request by adding additional information if necessary.

## ***Five-Year Capital Construction Program (CC-P)/ Governing Board Priority Statements***

### **Description of: CC-P**

Each institution must submit a CC-P form if it anticipates beginning *any* state funded capital construction project through FY14-15. The form is to alert DHE and other state agencies about possible future projects planned within a five-year period and to help ensure continuity among project requests. The accuracy of the prior-year appropriations is checked. Project titles, funding amounts and phasing, and funding sources on the CC-P form should match those on CC-C forms for individual projects. Only projects requesting full or partial funding shown as state capital construction funds or from the Federal Mineral Lease revenues should be included on the CC-P. These projects must indicate a governing board priority number on the CC-P. All cash requests are now included on the Two-Year List (CC-LCF form) only.

Along with the CC-P form, each governing board should submit to DHE a statement about the relative order of importance of projects proposed for FY10-11, and how those projects relate to those planned for the next five years. The statement should also indicate how projects included in the five-year plan relate to current facility master plans.

### **Instructions for: CC-P**

The CC-P form should be filled out electronically for new projects for the Request Year and any out years. For the FY10-11 budget cycle, the forms should address FY10-11 to FY14-15. State statutes require institutions to estimate the expected completion date if funding is available for each project. All components of the form should be filled in. The department or institutions name should be clearly delineated, headers should carry onto all pages, and page numbers should be included. All forms must be dated.

Preliminary submissions should project the Governing Boards' schedule of capital construction projects for five years including the Budget Request year. For institutions of higher education, governing board amendments to the institution's preliminary schedule should be identified in the FINAL submission. Projected costs are in current dollars. List each project in sequential order of importance.

The same project name should match exactly to the CC-C, CC-B, or CC-IT forms. The facility and the institutional program that will occupy the facility upon completion of the project should be identified. If it is a project that benefits the entire campus, write "Campus Wide." The total project cost is the sum of the prior appropriations and all future costs by funding source. All previous appropriations must match the CC-C, CC-B, and CC-IT forms.

For the Capital Construction Appropriation Phase, designate the appropriation phases in each year's estimated project cost.

- PP = Physical Planning, which includes architectural and engineering planning and design;
- C = Construction, which funds actual construction;
- E = Movable Equipment, which equips the completed project for occupancy and use.

The Five-Year Capital Improvement Program Priority Statement should explain, in relation to the Institutional Master Plan, the agency's, institution's or governing board's judgment of the

relative programmatic importance among the facilities projected for the ensuing five-year period. The statement should also explain the multi-year scheduling of any Phased Construction Projects.

## ***Two-Year Capital Construction List of Cash Funded projects (CC-LCF)***

### **Description of: CC-LCF**

Each institution must submit a CC-LCF form if it anticipates beginning *any* 100% cash funded capital construction project through FY11-12. With the passage of SB09-290, DHE is required to submit a list of cash funded projects to the CDC to review and approve. Following the approval of the Two-Year list by the CDC and approval of program plans by DHE (where applicable) institutions will be permitted to begin construction on cash funded projects as they see fit. The accuracy of the prior-year appropriations is checked. Project titles, funding amounts and phasing, and funding sources on the CC-LCF form should match those on CC-C forms for individual projects. Only projects with full cash or federal funding should be included on the CC-LCF. These projects do not require a governing board priority number.

### **Instructions for: CC-LCF**

The CC-LCF form should be filled out electronically for new 100% cash funded projects for the Request Year and any out years. For the FY10-11 budget cycle, the forms should address FY10-11 to FY11-12. State statutes require institutions to estimate the expected completion date if funding is available for each project. All components of the form should be filled in. The department or institutions name should be clearly delineated, headers should carry onto all pages, and page numbers should be included. All forms must be dated.

- **Prepared by** is the name of the person preparing the form; include the email address and telephone number. This should be the person whom is to be contacted by DHE should there be questions about the form.
- **Institution Name** is the name of institution in which the project is to be constructed. Unlike prior versions of the CC-P form, this is not a drop down menu.
- **Project Title** is the name of the project that must be used throughout on all documents submitted to CCHE and the Office of the State Architect.
- **Purpose Code** is the purpose code from Appendix C of this manual that best describes the project in the judgment of the institution.
- **Gross Square Feet** is the amount of GSF added by any new construction or expansion.
- **Funding Source** can include:
  - **“CF” is Cash Funds.** Cash Funds are those funds derived from fees, tuition, other earmarked funds, grants, donations, damage awards, transfers of funds from other state departments, revenues from designated enterprise functions (student housing and dining, bookstore, student union, etc.), and from sales of university-owned property (where specific provisions exist to not require the funds to revert to the General Fund).

- **“FF” is Federal Funds.** Any funds received directly from the federal government; includes categorical grants or block grants not necessarily available for uses outside of those specified in the grant award.
- **Project Type** is a drop down menu. Select the most applicable description from “New Construction”, “Renovation”, or “Renovation and Expansion.”
- **Project Category** is a drop down menu. Select the most applicable description and appropriate section of Statute. “Academic” facilities are core to the role and mission of a college/university. “Auxiliary” facilities are not core to the role and mission, and typically have dedicated funding sources (i.e. residence halls, recreation centers, etc).
- **Funding Method** is a drop down menu. Select the most applicable description of the source of the funds. This can include:
  - **Appropriated Fee** is a fee that fits the criteria for an “Academic and Academic Facility Fee” in the annual Long Bill.
  - **Gift/Donation**
  - **Grant**
  - **Non-Appropriated Fee** is a fee that is based on use (i.e. parking fee, recreation center fee, or residence hall rent, etc.)
  - **Tuition**
  - **Other**
- **Intercept Project** is a drop down menu. Select the most applicable description and section of Statute. Will with project be funded in whole or in part using funds subject to the Higher Education Intercept Act (SB08-245) and subject to C.R.S. 23-1-106 (10)?
- **Est. Start Date** is when the project is expected to initiate and encumber expenses.
- **Est. Completion Date** is when the structure will have occupancy.
- **Additional Approvals Required** is a drop down menu. Select the most applicable description from:
  - **None - Non-Intercept project** – a project subject to C.R.S 23-1-106 (9)
  - **None - Intercept project with all approvals** – a project subject to C.R.S 23-1-106 (10) that has already had the program plan approved by DHE and has been on a prior CC-LCF list that was approved by the CDC and JBC
  - **CDC and JBC** – a project subject to C.R.S 23-1-106 (10) that has already had the program plan approved by DHE
  - **DHE, CDC, and JBC** – a project subject to C.R.S 23-1-106 (10) that has not yet had the program plan approved by DHE
- **DHE Approval** is a drop down menu. Select the most applicable description from:
  - **Pending** – a project subject to C.R.S 23-1-106 (10) that has submitted the Program Plan for DHE review but has not yet been approved or rejected.
  - **No** – a project subject to C.R.S 23-1-106 (10) that has had its Program Plan refused by DHE.
  - **Yes** – a project subject to C.R.S 23-1-106 (10) that has had its Program Plan approved by DHE

- N/A – a project subject to C.R.S 23-1-106 (9) that does not require DHE Program Plan review.

➤ **Explanation of funds** is where in 2-3 sentences the funding source is elaborated upon.

## ***Supplemental Appropriations (CC-B)***

### **Description of: CC-B**

Institutions submit CC-B forms to adjust previous year(s) appropriations or to use funds realized in a prior fiscal year. In rare cases, supplemental appropriations can be used to make funds available when the General Assembly is not in session. The CC-B forms are checked to determine their necessity. A requested increase in state funds must come out of other state-funded projects an institution has in progress. If an institution intends to use cash funds, it must indicate on the form that the additional funds are on hand. Requesting a time extension for spending or encumbering state funds (CCF) or cash spending authority is also considered a supplemental appropriation and requires that the institution complete a CC-B form along with a written explanation of: 1) Why the extension is needed; 2) What dollar amount the project has already encumbered; 3) What dollar amount has been expended on the project; 4) How long will an extension be required for; 5) What elements of the project have been completed; and 6) What needs to be done in order to complete the project.

Every form submitted for the supplemental packet should be dated. It should be clear which forms are for the adjusted project and which a complementary and show the original project. The new CC-B form will be provided by DHE and OSPB during the summer of 2008.

Supplemental forms are submitted to DHE by September 19, 2008. OSPB submits supplemental requests to the CDC on December 10, 2008 and copies the Joint Budget Committee staff.

### **Instructions for: CC-B**

Some supplemental requests are 1331s, which are supplementals that are emergencies submitted when the General Assembly is not in session. Emergency requests are allowed under the provisions of HB 98-1331. The HB 98-1331 process has been used to address both emergency issues as well as to correct technical errors. This process should be used to address those issues that cannot wait to be addressed through the standard supplemental process. 1331 supplemental capital construction requests, regardless of funding source, are limited to emergency situations.

An emergency supplemental request requires the same documentation as a regular supplemental request (i.e., a CC-B form with addenda). If the amount of an emergency supplemental changes, it should be corrected in a regular supplemental submission as a revised request, rather than a new incremental supplemental.

Institutions of higher education will submit first to the Department of Higher Education; DHE will, in turn submit the request to OSPB. OSPB will submit the approved version to the Capital Development Committee and the Joint Budget Committee.

The CC-B form must be entirely filled out in order to be considered. The form must include a written explanation of why the dollars or spending authority is needed, what dollar amount the

project has already encumbered, what dollar amount has been expended on the project, how long will an extension be required for (if applicable), what elements of the project have been completed, and what needs to be done in order to complete the project.

Every form submitted for the supplemental packet should be dated. It should be clear which forms are for the adjusted project and which are attachments to show the original project.

Forms for regular supplementals are due to OSPB by November 3, 2009. OSPB submits supplemental requests to the CDC on December 10, 2009 and copies the Joint Budget Committee staff. Emergency supplementals are due to OSPB four weeks prior the Committee hearing (the earlier of either the CDC or JBC meeting). If for an institution of higher education, they must be submitted before that date, approved by DHE, and submitted to OSPB four weeks before the meeting. OSPB will, in turn, submit the approved and signed request to the CDC and JBC two weeks prior to the meeting.

Supplemental requests must meet one of the following criteria for FY09-10:

- 100% Cash or Federally Funded Project
- Urgent AND Critical Life or Safety Project
- Statutorily required COP payment for capital construction
- Technical correction
- Project requires DHE approval for program review but does not meet FY09-10 supplemental criteria for submission to the CDC.

Each supplemental pack should include:

- A New Supplemental CC-B or CC-IT-B Excel Form
- A CC-B Word Document form
- If the supplemental involves revising a prior request, attach a copy of the prior CC-C or/and CC-IT form from the original request to the CDC. Be sure to specify "Original" at the top in bold letters with the original date submitted to the CDC.

### ***Governing Board Annual Report on Cash-Funded Projects***

The governing boards of institutions will annually submit to DHE a Cash-Funded Projects Capital Construction Report. This report is due beginning September 1, 2010, and every year thereafter, and should include a list of all 100% cash-funded projects from the prior fiscal year's CC-LCF form that have commenced. The report will detail: the estimated cost at the time of initialization, the method of funding, and the schedule for project completion.

## **Appendix A:** **CCHE Statutory Authority for Capital Construction**

Most of DHE's statutory authority for review of capital construction projects comes from the Colorado Revised Statutes (C.R.S.) 23-1-106- *Duties and powers of the commission with respect to capital construction and long-range planning*. In italics in parentheses following each subsection is information about where to find information about it in this manual, DHE policies, or elsewhere. The statute included below has not yet been updated for the changes from SB09-290:

(1) It is declared to be the policy of the general assembly not to authorize or to acquire sites or initiate any program or activity requiring capital construction for state-supported institutions of higher education unless approved by the commission. (*See sections in this manual on capital project reviews.*)

(2) The commission shall, after consultation with the appropriate governing boards of the state-supported institutions of higher education and the appropriate state administrative agencies, have authority to prescribe uniform policies, procedures, and standards of space utilization for the development and approval of capital construction programs by institutions. (*See DHE Policy Section III, Part F – Space Utilization Guidelines.*)

(3) The commission shall review and approve master planning and program planning for all capital construction projects of institutions of higher education on state-owned or state-controlled land, regardless of the source of funds, and no capital construction shall commence except in accordance with an approved master plan, program plan, and physical plan. (*See sections in this manual on capital construction project reviews; also DHE Policy III, Part D - Guidelines for Long- Range Facilities/Infrastructure Planning Guidelines.*)

(4) The commission shall ensure conformity of facilities master planning with approved educational master plans and facility program plans with approved facilities master plans. (*See sections in this manual on capital construction project reviews.*)

(5)(a) The commission shall approve plans for any capital construction project at any institution, including a community college, regardless of the source of funds; except that the commission need not approve plans for any capital construction project at a local district college or area vocational school or for any capital construction project described in subsection (9) or (10) of this section. (*See sections in this manual on capital construction project reviews and on SB 01-209 projects.*)

(b) The commission may except from the requirements for program and physical planning any project that shall require less than two million dollars of state moneys. (*See section in this manual on program plan waivers.*)

(6) The commission shall request, annually, from the governing board a five-year projection of capital development projects. Such projection shall include the estimated cost, the method of funding, a schedule for project completion, and the governing board-approved priority for each project. The commission shall 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. (*See instructions for the Five-Year Capital Construction Plan in this manual.*)

(7)(a) The commission annually shall establish a unified five-year capital improvements program coordinated with education plans and shall transmit to the office of state planning and budgeting, the governor, and the general assembly, consistent with the executive budget timetable, a recommended priority of funding of capital construction projects for the system of public higher education. The commission shall annually transmit the recommended priority of funding of capital construction projects to the capital development committee no later than November 1 of each year. *(See section in this manual on DHE prioritization of state-funded projects.)*

(b) Except as provided in subsection (5) of this section, it is the policy of the general assembly to appropriate funds only for projects approved by the commission.

(8) Any acquisition or utilization of real property by a state-supported institution of higher education which is conditional upon or requires expenditures of state-controlled funds or federal funds shall be subject to the approval of the commission, whether acquisition is by lease, lease-purchase, purchase, gift, or otherwise. *(See capital construction definition section in this manual. If contemplating submitting a new or renewed lease, contact Margot Plotz of the DHE staff, [Margot.Plotz@dhe.state.co.us](mailto:Margot.Plotz@dhe.state.co.us), for an electronic copy of the latest lease application form or get a copy of the most current lease application form from the DHE website: <http://www.state.co.us/cche/policies/capitalassets/index.html>.)*

(9)(a) The commission shall review and approve any plan for a capital construction project that is estimated to require total expenditures exceeding **two million dollars** and that is to be constructed, operated, and maintained solely from student fees, auxiliary facility funds, wholly endowed gifts and bequests, research building revolving funds, or a combination of such sources, as provided in sections 23-5-102, 23-5-103, 23-5-112, 23-20-124, 23-31-129, and 23-41-117 and section 24-75-303 (3), C.R.S. Any such plan for a capital construction project that is estimated to require total expenditures of two million dollars or less shall not be subject to review or approval by the commission. *(See sections in this manual on SB 01-209 projects.)*

(b) Upon approval of a plan for a capital construction project pursuant to paragraph (a) of this subsection (9), the commission shall submit such plan to the capital development committee. The capital development committee shall make a recommendation regarding the project to the joint budget committee. Following receipt of the recommendation, the joint budget committee shall refer its recommendation regarding the project, with written comments, to the commission. *(See section in this manual on SB92-202 reviews.)*

(c) The commission, the capital development committee, and the joint budget committee shall by agreement adopt procedures governing the capital development committee and joint budget committee review of projects subject to this subsection (9) and subsection (10) of this section, which agreement shall provide that, whenever possible, the capital development committee shall submit recommendations to the joint budget committee and the joint budget committee shall submit recommendations to the commission within thirty days after each committee receives the information prescribed in the agreement as necessary for its review. *(See section in this manual on SB92-202 reviews.)*

(10) (a) The commission shall review and approve any plan for a capital construction project that is estimated to require total expenditures exceeding **two million dollars** and that is to be constructed solely from cash funds held by the institution other than those funds specified in paragraph (a) of subsection (9) of this section and operated and maintained from such cash funds or from state moneys appropriated for such purpose, or both. Any plan for any such capital

construction project that is estimated to require total expenditures of two million dollars or less shall not be subject to review or approval by the commission. (*See sections in this manual on cash-funded project reviews and SB01-209 projects.*)

(b) Upon approval of a plan for a capital construction project pursuant to paragraph (a) of this subsection (10), the commission shall submit such plan to the capital development committee. The capital development committee shall make a recommendation regarding the project to the joint budget committee. Following receipt of the recommendation, the joint budget committee shall refer its recommendation regarding the project, with written comments, to the commission.

(11) Each institution shall submit to the commission on or before September 1 of each year a list and description of each project for which an expenditure was made during the immediately preceding fiscal year that was not subject to review by the commission pursuant to subsections (9) and (10) of this section. The commission shall submit a compilation of such projects to the capital development committee on or before December 1 of each year. (*See section in this manual on SB01-209 projects.*)

## **Appendix B:** **Capital Construction and Controlled Maintenance Definitions**

A project qualifies for DHE capital construction review and inclusion in the capital construction budget if it meets the criteria set out below as set forth in C.R.S. 24-30-1301. Also below are definitions of capital renewals (operating budget) or controlled maintenance (Office of the State Architect).

### A. **Capital Construction** includes:

- Purchase of land, regardless of value.
- Purchase, construction, or demolition of buildings or other physical facilities, including utilities, or remodeling or renovation of existing buildings or other physical facilities to make physical changes necessitated by changes in the program. Changes in the program may also incorporate the need to meet standards required by applicable codes; to improve energy conservation; to save costs for facility staffing, operations, or maintenance; or to improve appearance.
- Site improvements or development (landscaping, upgraded utilities, signage etc.)
- Purchase or installation of the fixed and moveable equipment necessary for the operation of new, remodeled, or renovated buildings and other physical facilities and for the conduct of programs initially housed therein upon completion of the new construction, renovation or remodeling.
- Purchase of services from architects, engineers and other consultants to prepare plans, program documents, life-cycle cost studies, energy analyses and other studies associated with any capital construction project and to supervise construction or execution of such capital construction projects.
- Any item of instructional or scientific equipment if the cost exceeds \$50,000.
- Information technology if the cost exceeds \$500,000. (See section on information technology on the next page for a list of institutions that may request state funding for information technology projects that total less than \$500,000.)
- Preliminary planning including initial review of proposed projects for a) conformity with long-range development plans; b) technical and economic feasibility of the project; c) preparation of outline plans and specifications; or d) preparation of preliminary cost estimates.

Capital construction projects are classified as major (total cost is more than \$2 million) or minor (total project cost is above capital renewal limits but \$2 million or less).

The following expenses are **NOT** capital construction budget requests:

- Printing, publishing, photocopying, and other similar costs related to project administration;
- Postage, certified mailings, long-distance telephone charges, etc.
- Employee compensation or reimbursement for time performing project-related work regardless of the work performed;
- Reimbursement of “in-town” expenses such as food, fuel, etc.
- Travel and lodging expenses directly related to project management;
- Renting or leasing temporary space for people and equipment to accommodate construction projects; these costs must be paid from operating funds.

**Information technology projects are capital construction projects** if they meet the following criteria:

- They total \$500,000 or more in the request year and the majority of the components has a useful life of at least five years.
- Personal computer replacement or maintenance is not included in the information technology request (unless as a component of a much larger institutional computer systems upgrade).
- Contract personal services and other non-capital items requested as capital construction are integral components of a request.

Based on a Memorandum of Understanding with the Joint Budget Committee, Capital Development Committee, and the Office of State Planning and Budgeting, **information technology projects costing LESS THAN \$500,000** may be capital construction for the following institutions and entities:

- Community College of Aurora
- Lamar Community College
- Morgan Community College
- Northeastern Junior College
- Pueblo Community College
- Otero Community College
- Trinidad State Junior College
- Adams State College
- Western State College
- Colorado Historical Society
- Division of Private Occupational Schools

B. **Capital Renewal** can be funded from a department's operating budget. It includes operating expenses such as:

- Equipment, meaning motor trucks designated over three-quarters of one ton, tractors, trailers, snowmobiles, boats, machinery, reference books, office furniture, file cabinets, typewriters, adding and calculating machines, and other business machines, having a useful lifetime of one year or more, or other items, including, but not limited to, tools, implements, and instruments, which may be used continuously without material change in physical condition, costing more than \$100 and less than \$50,000.
- Alterations and replacements, meaning major and extensive repair, remodeling, or alteration of buildings, the replacement thereof, or the replacement and renewal of the plumbing, wiring, heating, and air conditioning systems therein, costing less than \$50,000.
- New structures, meaning the construction of new buildings where the cost will be less than \$50,000, including the value of materials and labor, either state-supplied or supplied by contract.
- Non-structural improvements to land, meaning the grading, leveling, drainage, and landscaping thereof and the construction of roadways, fences, ditches, and

sanitary and storm sewers, where the cost will be less than \$50,000.

- OSPB, in consultation with the Office of the State Architect, will review on a case by case basis, if needed, to confirm that "Capital Renewal" does not include those things defined as capital construction by section 24-75-301, C.R.S.

C. **Capital Renewal** projects (building or infrastructure) are Controlled Maintenance projects where the total project dollar amount of a single phased, single site project or any phase of an integrated, single site project is in excess of \$2 million dollars. These project requests should be "maintenance driven" projects and not "program driven" as per capital construction projects.

D. **Controlled Maintenance** includes:

- Projects more than \$15,000, corrective repairs, code compliance, energy conservation, or replacement used for existing state-owned, general-funded buildings.
- Other physical facilities, including, but not limited to, utilities and site improvements, which are suitable for the retention and use for at least five years.
- Replacement and repair of the fixed equipment necessary for the operation of such utilities, when such work is not funded in an agency's operating budget to be accomplished by the agency's physical plant staff.

Controlled Maintenance does **NOT** include:

- Corrective repairs or replacement when such work is funded in an agency's operating budget to be accomplished by the agency's physical plant staff.
- Repair and replacement of fixed and movable equipment necessary for the conduct of programs (such repairs are funded as capital renewal).
- Repairs for rented or leased facilities, or facilities maintained by a self-liquidating property fund.
- Minor maintenance projects may not be accumulated to create a controlled maintenance project.

Capital construction projects arise out of an agency's need to create, expand, relocate, or alter a program due to growth, advances in technology or changes in methods or program delivery.

Requests addressing physical space requirements needed to accommodate particular functions, such as those traditionally included in facility programs, would constitute a "program-driven" request, and therefore, be considered a capital construction request.

E. A **Continuation Project** is one that has had an appropriation in recent years or is requested with funding over multiple fiscal years. A Continuation Project is one that was included as the out-year funding from a prior request. A Continuation Project must have been included in a prior CC-C request that was funded for the initial year.

This is an example of a Continuation Project, where "Year 2" is the continuation:

<b>CC-C: CAPITAL CONSTRUCTION REQUEST FOR FY 2009-10</b>			
<b>PROJECT COSTS AND APPROVAL COVER SHEET</b>			
Project Title:	<b>Geosciences Building</b>		State Controller Project No.
Department/Institution :	University of Colorado Boulder		Strategic Plan Objective(s):
Program:			Dept. Approval by:
Priority Number:	4		CCHE Approval:
	Total Project Costs	Current Request	Year 2 Request
<b>Total Budget Request</b>	<b>\$59,500,000</b>	<b>\$8,489,661</b>	<b>\$51,010,339</b>
<i>Source of Funds</i>			
CCFE	\$35,700,000	\$5,093,797	\$30,606,203
CF	\$-	\$-	\$-
CFE	\$23,800,000	\$3,395,865	\$20,404,135
FF	\$-	\$-	\$-

F. A **Non-continuation Project** is one that can stand alone and may not necessarily require additional appropriations to complete. An individual project may also be a stand alone project that will require distinct phased appropriations for professional services, construction, and equipment. In these cases, CC-C forms should be submitted in each year the project requests an appropriation. For example, a new state-funded building may require enough time in the design phase that it would be appropriate to request professional services appropriations in year one of the project and construction and equipment funding in subsequent years. Also, a four-phase addition to a building could be submitted as four individual projects if each addition could be completed separately as a stand alone project.

This is an example of a Non-continuation Project:

<b>CC-C: CAPITAL CONSTRUCTION REQUEST FOR FY 2009-10</b>			
<b><i>PROJECT COSTS AND APPROVAL COVER SHEET</i></b>			
Project Title:	<b>IT Disaster Recovery System</b>		State Controller Project No.
Department/Institution :	Department of Corrections		Strategic Plan Objective(s):
Program:	Information Systems Subprogram		Dept. Approval by:
Priority Number:	6		OSPB Approval:
	<b>Total Project Costs</b>	<b>Current Request</b>	<b>Year 2 Request</b>
<b>Total Budget Request</b>	<b>\$782,250</b>	<b>\$782,250</b>	<b>\$0</b>
<i>Source of Funds</i>			
CCFE	\$782,250	\$782,250	\$0
CF	\$0	\$0	\$0
CFE	\$0	\$0	\$0
FF	\$0	\$0	\$0

## Appendix C: Department and Agency Codes

<u>DEPARTMENT</u>	<u>DEPARTMENT CODE</u>	<u>AGENCY CODE</u>
Administration	ADM	ADM
Agriculture	AGR	AGR
Corrections	COR	COR
Education	EDU	EDU
Health	HLT	HLT
Higher Education	HED	HED
CU-Boulder	HED	CUB
CU-Colorado Springs	HED	CUS
CU-Denver	HED	CUD
Health Sciences Center	HED	HSC
Colorado State University	HED	CSU
Fort Lewis College	HED	FLC
University of Southern Colorado	HED	USC
Experiment Station	HED	EXP
Cooperative Extension	HED	CEX
Forest Service	HED	SFS
Veterinary Medicine	HED	VTM
Colorado School of Mines	HED	CSM
University of Northern Colorado	HED	UNC
Adams State College	HED	ASC
Mesa State College	HED	MSC
Western State College	HED	WSC
Arapahoe Community College	HED	ACC
Colorado Northwestern Community College	HED	CNC
Aurora Community College	HED	AUR
Front Range Community College	HED	FRC
Red Rocks Community College	HED	RRC
Lamar Community College	HED	LCC
Morgan Community College	HED	MCC
Northeastern Junior College	HED	NJC
Otero Junior College	HED	OJC
Pikes Peak Community College	HED	PPC
Pueblo Community College	HED	PCC
Trinidad State Junior College	HED	TJC
Auraria Higher Education Center	HED	AHC
Historical Society	HED	HST
Human Services	DHS	DHS
Judicial	JUD	JUD
Labor and Employment	LAB	LAB
Local Affairs	LOC	LOC
Military Affairs	MIL	MIL
Natural Resources	NAT	NAT
Public Safety	DPS	DPS
Regulatory Agencies	REG	REG
Revenue	REV	REV
Transportation	CDOT	CDO

## Appendix D: Capital Assets Purpose Codes

Preference will be given to those projects which provide the most efficient use of state resources including but not limited to: innovative solutions to space needs, co-location of programs resulting in space and program efficiencies, and operating cost reductions.

<b>A. State Financial Obligations</b>	(1) Certificates of Participation	(2) Other		
<b>B. Continuation Projects Final Phase</b>	(1) Continuation Projects Final Phase			
<b>C. State Wide Priorities</b>	(1) Statewide High Priorities (determined by OSPB/CCHE)			
<b>D. Controlled Maintenance</b>	(1) Level 1 Life Safety	(2) Level 2 Program Disruptions	(3) Level 3 Deterioration	
<b>E. Continuation Projects</b>	(1) Continuation Projects Not Final Phase	(2) Continuation Projects A&E funding only		
<b>F. New Projects Current Program Needs Solutions to Existing Deficiencies</b>	(1) Statutory Requirements Mandates those projects, which are directed by court order or reduce the state's legal liability.	(2) Renovation/ Replacement of Existing Space/Equipment a. significant cost-savings or cost avoidance b. increased level of service	(3) Facility Infrastructure Improvements  (4) Technology Infrastructure Improvements	(5) Construction of New Building or Expanded Space a. significant cost-savings or cost avoidance b. increased level of service
<b>G Immediate Future Program Needs — Solutions to Growing Deficiencies</b>	(1) Mandates those projects, which are directed by court order or reduce the state's legal liability.	(2) Renovation / Replacement of Existing Space / Equipment	(3) Construction of New Building or Expanded Space to Consolidate Programs from Obsolete and Congested Space	(4) Facility Infrastructure Improvements  (5) Technology Infrastructure Improvements

**Appendix E:**  
**COFRS Higher Education Financial Reporting System Program**  
**and Fund Codes**

<b>HIGHER EDUCATION FEEDER AGENCY COFRS CHART OF ACCOUNTS 11/2002</b>			
<b>AGENCY CODES</b>		<b>FUND CODES</b>	
Department of Higher Education	G	<b>GOVERNMENTAL FUNDS</b>	
Colorado Commission on Higher Education (CCHE)	GAA	General Fund-Unrestricted	100
Colorado Council on the Arts	GBA	Regular Capital Construction	461
Colorado Student Loan Program (CSLP)	GDA	<b>HIGHER EDUCATION FUNDS**</b>	
Private Occupational School Division	GPA	Current Unrestricted – Nonexempt	310
Colorado Student Obligation Bond Authority	GRA	Current Unrestricted - Exempt	311
<b>UNIVERSITY OF COLORADO</b>		Auxiliary Self-Funded Enterprises – Exempt	320
University of Colorado Board of Regents	GFA	Other Auxiliary Fund – Exempt (Optional)	321
University of Colorado – Boulder	GFB	Other Auxiliary Fund – Exempt (Optional)	322
University of Colorado - Colorado Springs	GFC	Other Auxiliary Fund - Exempt	323
University of Colorado – Denver	GFD	Research Building Revolving Fund 23-31-129 (CSU only)	324
University of Colorado - Health Sciences Center	GFE		
<b>COLORADO STATE UNIVERSITY SYSTEM</b>		Other Auxiliary Fund – Exempt	325
CSU System Board of Governors	GGA	Auxiliary Self-Funded Nonenterprise – Exempt (began 7/1/01)	326
Colorado State University	GGB	CPPS Revolving Fund - Exempt	327
University of Southern Colorado	GGJ	Internal Service Funds – Exempt (began 7/1/01)	328
		Auxiliary Self-Funded - Nonexempt	329
<b>STATE COLLEGES IN COLORADO</b>		Current Restricted - Exempt	330
		Current Restricted - Nonexempt	331
Adams State College	GYA*	Children’s Health Plan 26-17-108 (UCHSC only)	332
Mesa State College	GZA*	Fitzsimons Trust Fund (UCHSC only)	333
Western State College	GWA*	Wildlife Emergency Fund (CSU only)	334
		Loan Fund – Exempt	340
<b>COLORADO COMMUNITY COLLEGES SYSTEM (CCCS)</b>		Endowment Fund – Exempt	350
Arapahoe Community College	GJB	Plant Fund – Exempt	371

**HIGHER EDUCATION FEEDER AGENCY COFRS CHART OF ACCOUNTS 11/2002**

<b>AGENCY CODES</b>		<b>FUND CODES</b>	
Community College of Aurora	GJC	Plant Fund – Nonexempt	375
Community College of Denver	GJD	HE Agency Fund – Exempt	380
Front Range Community College	GJE	Financial Presentation – Exempt (began 7/1/01)	399
Lamar Community College	GJF		
Lowry HEAT Center	GJP		
Morgan Community College	GJG		
Northeastern Junior College	GJR		
Colorado Northwestern Community College	GJT		
Otero Junior College	GJH		
Pikes Peak Community College	GJJ		
Pueblo Community College	GJK		
Red Rocks Community College	GJL		
Trinidad State Junior College	GJM		
<b>UNIVERSITY OF NORTHERN COLORADO</b>	GKA		
<b>COLORADO SCHOOL OF MINES</b>	GLA		
<b>AURARIA HIGHER EDUCATION CENTER</b>	GMA		
<b>FORT LEWIS COLLEGE</b>	GSA		
<b>METROPOLITAN STATE COLLEGE OF DENVER</b>	GTA		
*Effective 7/01/2004		** The following funds are no longer in use as of 7/1/01: 372, 373, 374, 376, 377	

**Appendix F:**  
**Memorandum of Understanding between State Controller's Office**  
**and Capital Development Committee Six-Month Rule**

**Enforcement of C.R.S. 24-30-1404, as revised April 2001**

C.R.S. 24-30-1404(7) requires agencies to execute a contract and encumber funds for any professional services, as defined by C.R.S. 24-30-1404(6), related to a capital construction or controlled maintenance project within six months of the date the appropriation becomes law. For projects when no professional service contract is required, a contract for the project must be entered into within this same six-month time frame. This Memorandum of Understanding (MOU) between the State Controller's Office (SCO) and the Capital Development Committee (CDC) defines the process to be used by departments or institutions to comply with the requirements of the statute.

**Construction Projects with professional service contracts**

These are typically large building projects that require significant up-front design work.

- Compliance with the six-month rule requires all architecture/engineering services contracts or any other significant professional services contracts related to the design of the project, identified in the project plan, be executed and encumbered within the six-month date. The department controller or institution chief financial officer (CFO) and project manager will certify compliance to the SCO.

-or-

- The project plan may contain an amount for professional services, proposed by the department or institution and agreed to by the CDC, to be encumbered by the six-month date that is less than the architectural/engineering services contracts or other significant professional services contracts related to the design of the project, identified in the project plan. The project plan must also include justification for the proposed amount. The CDC will communicate the approved encumbrance amount to the SCO as a waiver recommendation under C.R.S. 24-30-1404(7). The SCO will issue the waiver letter to the department or institution. If the department or institution cannot encumber the CDC-approved amount by the six-month date, it must submit a new waiver request or revert the project funds.

Alternatively, the department or institution that cannot encumber all of the professional services may follow the normal waiver request process when the problem is identified.

**Construction Projects without professional services contracts**

These are typically maintenance or repair projects, which may be at one location or spread over many locations. However, no professional service contracts are required to be obtained for the project to commence, or professional services are provided from non-capital construction sources.

Compliance with the six-month rule will be met with an encumbrance, by the six-month date, for the total amount of the project, identified in the project plan. The department controller or institution CFO and project manager will certify compliance to the SCO.

-or-

The project plan may contain a project amount, proposed by the department or institution and agreed to by the CDC, to be encumbered by the six-month date that is less than the full amount of the project identified in the project plan. The CDC will communicate the approved encumbrance amount to the SCO as a waiver recommendation under C.R.S. 24-30-1404(7). The SCO will issue the waiver letter to the department or institution. If the department or institution cannot encumber this amount by the six-month date, it must submit a new waiver request or revert the project funds.

#### Non-Construction Projects – IT or Equipment Purchases:

Compliance with the six-month rule will be met with an encumbrance, by the six-month date, for the full amount of the project identified in the project plan. The department controller or institution CFO and project manager will certify compliance to the SCO.

-or-

The project plan may contain a project amount, proposed by the department or institution and agreed to by the CDC, to be encumbered by the six-month date that is less than the full amount of the project as identified in the project plan. The CDC will communicate the approved encumbrance amount to the SCO as a waiver recommendation under C.R.S. 24-30-1404(7). The SCO will issue the waiver letter to the department or institution. If the department or institution cannot encumber this amount by the six-month date, it must submit a new waiver request or revert the project funds.

#### **Other Issues**

##### ➤ Projects with multiple phases.

The six-month rule requirement is generally monitored for compliance in the first phase of a project. If subsequent phases of a project are dependent on the first phase, once compliance is met in the first phase of the project, additional phases do not have a six-month rule requirement. If multiple phases of a project are designed as stand-alone projects, each phase or the project will be required to meet the six-month rule.

##### ➤ Project Plans

The Office of State Planning and Budgeting (OSPB), Colorado Commission on Higher Education (CCHE), and State Buildings Programs are responsible for monitoring spending on capital construction or controlled maintenance projects to determine the department or institution has complied with the intent of the project plan.

## **Appendix G:** **Special Instructions for Higher Education Information Technology** **Program Plans**

The technology program plans should follow the outline below.

### **Planning Linkages**

1. Master Plan Linkage – Identify systems, objectives, measures, linked to institutional master plan.
2. Technology Master Plan – If no plan has been developed, include earliest date that a plan might be produced, then establish:
  - The title, date, and approval authority for the plan.
  - Context and phasing of proposed project (i.e., prior projects that provide the necessary infrastructure for this project, and what subsequent projects will in turn rely on this project as infrastructure and how this is documented).

### **Project Details**

1. Problem
  - Describe the problem or opportunity to be addressed.
  - Who are the beneficiaries of the project? What is the need that must be met? What usage levels are anticipated?
2. Requirements, Mission and Technical. Describe the requirements for the proposed project from both the mission critical and technical perspective.
3. Alternatives. Identify alternatives examined to solve problem. Explain why chosen alternative was selected.
4. Outcomes, Expected Results
  - Describe the expected, visible outcome, change, or result and quantify its value in specific terms.
  - Justify the project in terms of practical, quantifiable, major benefits to accrue.
5. Project Description. Describe the “what, who, when, why, and how.”

6. **Technical Feasibility and Sound Technology.** Describe and defend the technological feasibility of the project, how it uses existing, current, proven technology creatively and indicate the foreseeable life-span of the technology.

**Project Management.** Management personnel, accountability, timeline, milestones, resources, and contingencies in completing the proposed project. Describe project management systems to be used in monitoring progress and planning for contingencies.

**Alignment with State and DHE Initiatives.** Describe and document how the project is aligned with each State and DHE initiative: (provide description for those that apply, otherwise indicate, “Not Applicable”):

1. DHE

- a) Provides full access to campus networks
- b) Provides access to modern computers and software
- c) Ensures minimum Internet access to faculty, students, and administration
- d) Provides network support to accommodate demand
- e) Provides for technology-enhanced classrooms and labs
- f) Provides for training and development to ensure proficient use of information technology
- g) Provides for electronic student services
- h) Supports efficient use of information for administrative workflow processing, decision-making, and reporting both within the institution and with DHE
- i) Provides digital library resources
- j) Provides systems to support outreach
- k) Supports distance learning to increase student access to instruction
- l) Promotes the coordination of distance learning development within governing board system and within institution
- m) Supports the workforce needs of Colorado employers
- n) Other

2. STATE

- a) Makes use of the Multi-use Network
- b) Makes use of the Beanpole Fund
- c) Streamlines service to the beneficiaries
- d) Implements cutting-edge technologies
- e) Transforms the institution by implementing uses of the Internet for e-commerce and new management efficiencies
- f) Replaces costly, cumbersome procedures with paperless, on-line methods
- g) Builds on Colorado’s world-recognized leadership in the development of telecommunications technology
- h) Other