

SECTION III

PART E FACILITIES PROGRAM PLANNING

1.00 General Provisions and Policies

1.1 State-Level Capital Construction Decision-Making

CCHE distinguishes between two major phases of state-level decision-making.

- A. A Facilities Program Planning Review Phase to determine the appropriateness, necessity, and sufficiency of the project with respect to institution programs, applicable State policies, plans and standards, and consideration of alternative actions and timetables.
- B. A Construction Budget Priorities Review Phase to determine the relative urgency and impact of state investments with respect to statewide higher education system priorities.

1.2 Capital Construction Program Documents and Decision-Making

- A. Master Plans analyze institution-wide programs, relating academic programs with facilities requirements and technology objectives in conjunction with, the effectiveness of institution-wide space utilization, and the match between academic program and necessary physical facilities (based on objective standards), and recommend at least a five-year projection of capital construction needs.
- B. Program Plans for specific improvement projects analyze the amounts, types, and relative locations of space required and/or facility system upgrades or replacement for current and projected programs (as determined by accepted State space standards), and define program and cost elements.
- C. Physical Plans include architectural and engineering services that detail the development stages of the project including diagrammatic sketches indicating vertical and horizontal spatial relationships.
- D. Five-Year lists are compiled by governing board and submitted to the Commission annually. These lists provide information on State funded capital proposals including project name, governing board priority, expected funding requests, purpose codes, and any additional information that from time to time may be included by DHE staff. [Per C.R.S. 23-1-106 (6)(a)]
- E. Two-Year lists are compiled by governing board and submitted to the Commission annually. These lists provide information on Cash funded capital projects that the

institution/governing board intends to begin construction on within the next two fiscal years. These lists provide information on project name, expected funding sources, purpose codes, Intercept status, and any additional information that from time to time may be included by DHE staff. [Per C.R.S. 23-1-106(6)(b)]

CCHE reviews and approves college and university campus facility master plans and facility program plans with the technical assistance of the Office of the State Architect on matters of construction standards compliance, appropriation compliance, and operating/life-cycle cost studies, including timing and funding sources for future controlled maintenance requirements.

1.3 General Policy and Capital Construction Decision-Making

Evaluation of Facility Program Plans should be addressed at two levels of decision-making:

A. Governing Boards

- Conformance with institution master plan and academic and technology plans;
- Evidence of relevant educational program benefits;
- Assurances that operating and capital costs are appropriate to educational programming and sources and methods of financing;
- Consistency with campus 5-year and 2-year capital improvements program schedule.

B. Commission on Higher Education

- Consistency with role and mission; academic, facility, and technology planning goals; state higher education policy;
- Consistency with campus facilities master plan and academic master planning;
- Consistency of space utilization with CCHE guidelines and campus physical master plan space allocations;
- Alternative facilities solutions and life-cycle costs as required by CCHE;
- Appropriateness of source of funds, cost estimate methods, financing implications for life-cycle of construction as required, operations, and maintenance at projected enrollment increments.

Governing boards shall provide documentation with facility program plans to assure the Commission that Program plans were reviewed and approved by the Governing Board Prior to submission to CCHE.

1.4 General Procedures for Capital Construction Program Planning

Facility program plans are the core element of the capital construction decision-making process. They provide full disclosure of specific planned actions, a longer-range context of operating and capital budget decisions, and a schedule for implementation of the space

requirements of educational programs. They are derived from the institution's long-range facilities master plan projections of needs and provide a broad range of specific policy, program, facility, and financing information for approving and implementing a specific capital construction decision.

Each institution of higher education supported in whole or in part by state funds will prepare a specific facility program plan for each of the major projects for which financing will be sought in the ensuing fiscal year, if Commission review is required per Commission Policy Section III, Part Q. The Commission may exempt from the statutory requirements of program planning and physical planning specified categories of capital construction in which no project will require more than \$2,000,000 of state funds [C.R.S. 23-1-106 (5)(b)]. Facilities to be financed through the Colorado Educational and Cultural Facilities Authority must be approved by the Commission and the General Assembly. [C.R.S. 23-15-107 (3); C.R.S. 23-15-115 (1)(b).]

CCHE must approve facility program plans in order to recommend projects for funding in the ensuing fiscal years. Establishing funding priorities is, however, a separate process from approval of facility program plans. CCHE may elect to neither approve nor disapprove state-funded program plans when state revenue projections indicate insufficient money will be available to fund all higher education capital improvement requests.

1.5 Energy Conservation and Controlled Maintenance Projects

Colorado statute [C.R.S. 24-30-1301 (1)] does not define energy conservation measures and controlled maintenance purposes as within the scope of capital construction projects that CCHE reviews and approves. Proposals for Controlled Maintenance and Energy Conservation measures, therefore are submitted directly to the Office of the State Architect.

1.6 Unimplemented Facility Program Plans

Corresponding with a 1982 Commission policy requiring periodic review of facility program plans that are unfunded after the Annual Appropriation Bill called the Long Bill is adopted; the Commission asks that the following conditions be met before program plans are resubmitted for consideration in the next funding cycle:

- A. The campus facility staff must submit an executive summary demonstrating the plan meets the following criteria:
 - 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;
- That capital costs and projected funding sources (Capital Construction Funds , Cash Funds, Reappropriated Funds, and Federal Funds) remain valid and that any unusual construction issues resulting from the delay have been addressed; and
- That new code requirements will be met and that cost estimates are appropriately adjusted to reflect any changes.

B. The governing board has re-evaluated the project and indicated it will retain its original priority or that it has been reprioritized.

If the project remains unfunded three years after its original submission, the governing board will be asked to withdraw the plan and to re-evaluate the project.

2.00 Facility Program Planning -- Document Preparation Guidelines

The CCHE guidelines for the preparation of facility program plans have been coordinated with revisions to the Office of the State Architect guidelines for facility program planning by non-higher education agencies. These coordinated revisions emphasize the integration of master plan policies, educational programming and capital facility decisions.

CCHE guidelines address the following categories of capital asset decisions:

- the remodeling/renovation of functionally obsolete space;
- the expansion of an existing facility or construction of all new facilities, or acquisition of real property;
- major instructional or scientific equipment purchases, defined as capital construction, pursuant to statute [C.R.S. 24-30-1301 (1) (f)];
- acquisition of real property;
- utilities and site improvements.

2.1 Application of the Guidelines

The program planning guidelines provide a basis for judgments about the appropriate scope and content of information needed for a capital investment decisions.

The information upon which the facility program plan and budget decision is based directly affects:

- capital investment funding priorities (CCHE, Governor, Legislature);
- appropriations (long bill); and
- Architectural/engineering design and construction (Office of the State Architect).

State statutes direct that architectural/engineering plans must be consistent with CCHE approved facility program plans. Deviation from the approved program plans will be

brought to CCHE staff in the form of a list that the Office of the State Architect will update during inspection of all completed buildings, building additions, and building renovations.

First, CCHE and the Institutions will fill out the list based on the program plan. The list that Office of the State Architect fills out comparing what the program plan provided for to what was actually built or renovated, along with a rationale for deviations, will go in a permanent file at CCHE.

2.2 Acquisition of Real Property

Acquisition of real property that is conditional upon or requires expenditure of state-controlled funds or federal funds is subject to the approval of the Commission [C.R.S. 23-1-106 (8)]. The application of the guidelines is as follows:

- Financial Analysis (For Self-Funded, Revenue Bonded, Long-Range Lease Financed Projects or Real Property Acquisition)

[Note: If the project is a Cash Funds financed facility or is financed through the Colorado Educational and Cultural Facilities Authority, a financial analysis is necessary, pursuant to CCHE Policies for Self-Funded Capital Construction (Section III, Part Q).]

- Lease-Purchase Acquisition of Real Property

[Note: Lease-purchase agreements may require state appropriated moneys, or funds donated for the acquisition. Those that do are subject to Legislative approval authorized in a separate bill. (C.R.S. 24-82-102)

2.3 Exemptions

The Commission may exempt from the statutory requirements of program planning and physical planning any capital construction project that will require less than \$2,000,000 [C.R.S. 23-1-106 (5)(B)]. The campus Chief Executive Officer or designee should submit a Request for Exemption that includes the source of funds and an estimate of total project cost to the governing board staff and to DHE staff. The Request for Exemption shall specify the educational program nature and scope of the proposed project, the relationship to the institutional master plan, and the facilities to be altered or constructed. If the project is a part of a phased project that will to be completed in future years or if it complements or completes an earlier project, the total scope of the project should be identified.

3.00 Facility Program Planning for Capital Construction Projects

3.01 Policy Requirements

All colleges, universities, and other agencies in the Department of Higher Education shall prepare facility program plans as required by CCHE Policies III - Capital Assets, Part E.

Projects or facilities requiring program plans or the equivalent include:

- facilities to be financed using any state capital construction funds, excepting projects defined solely as controlled maintenance and/or energy conservation projects;
- facilities financed through the Colorado Educational and Cultural Facilities Authority;
- facilities financed by cash funds held by the institution; and
- acquisition of real property by lease-purchase or rental that is conditional upon or requires expenditures of state controlled, federal funds, or other funds identified in 2.02 above that will require payments of more than \$75,000 annually.

4.00 Program Plan Equivalents

Equivalents to program plans are:

- Capital Renewal projects: The Office of the State Architect CM-03 Form for strictly maintenance projects costing \$2,000,000 or more in State or Cash funds. A program plan is required, however, if the maintenance projects have some programmatic elements (i.e., changes in square footage, room configuration, or space use.)
- Information technology projects: These projects should follow the format that is included in the Appendix of the CCHE Instruction Manual for Higher Education Facilities, Program Planning and Budgeting issued each year.

5.00 Real Property Acquisition and Utilization

5.1 Acquisition of Real Property

Commission approval is required for any acquisition of real property by a state-supported institution of higher education that is conditional upon or requires expenditures of state-controlled funds or federal funds, whether the acquisition is by lease-purchase, purchase, gift or otherwise [C.R.S. 23-1-106 (8)].

5.2 Utilization of Real Property through Lease

Commission approval for entering or executing utilization of real property through lease is not required. However, institutions may not enter into nor execute lease until approval is received from the Office of the State Architect under its authority to review executed leases.

HISTORY: CCHE Agenda Item III, B – November 2, 2006