

SECTION III

PART M CAPITAL IMPROVEMENTS PROGRAM POLICIES

1.00 Statutory Authority

In addition to setting a recommended priority of funding, the Commission is required to annually establish a unified five-year capital improvements program coordinated with education plans and transmit it to the Office of State Planning and Budgeting, the Governor, and the General Assembly. [C.R.S. 23-1-106 (7)(a)]

The five-year capital improvement program outlines the scheduling of the projected capital construction needs identified in the long-range facilities master plan for each institution. The long-range forecast may outline long-range building needs scheduled beyond the five-year capital improvement program.

The legislative Capital Development Committee has requested the Commission to submit a long-range forecast of higher education capital construction needs. That joint legislative committee is statutorily directed to forecast the state's requirements for capital construction ... for at least the next five and ten fiscal years next following the fiscal year for which recommendations are made. [C.R.S. 2-3-1304 (1)(d)]

2.00 Review Process

State Statutes require each higher education institution governing board to submit a five-year capital development plan, outlining all approved and proposed capital construction projects. All major projects regardless of whether an institution proposes them for state, federal cash funding or a combination of these funding sources must be included in the plan, which shall be submitted no later than July 15 of each year (as long as the Long Bill is approved by June 1st). (For the purposes of this section, a “Major” project is one costing \$2,000,000 or more, regardless of source of funding.) The capital improvement plan shall be annually updated on the appropriate electronic and written form as stated in the annual budget instructions. The Commission is to 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 [C.R.S. 23-1-106 (6)].

3.00 General Policies and Criteria

Commission acceptance of the governing board projections of five-year building requirements does not constitute support for such future project requests. It must be determined that these long-range needs are generally consistent with:

- Designated campus role and mission; and
- Campus Long-Range Facilities Master Plan

Long-range projections of future building requirements that CCHE determines are not consistent with this policy, will be omitted from the recommended Capital Improvement Program after consultation with Governing Board and Institutional staffs.

Conformance with approved space and utilization standards, codes, regulations, and program standards is determined through the facilities program planning process, usually in the year prior to the project budget request year.

Capital construction projects often require spending patterns that extend to three fiscal years. Code compliance programs are often phased into manageable projects that extend over several years. Accordingly, the capital improvements program form should show the funding source(s) and amount of spending planned for each year. Projected costs are to be shown in current year dollars.

4.00 Scheduling of Capital Investments

In order to assist the Governor and General Assembly in financial planning, the annual capital costs set forth in the CCHE "Capital Improvement Program" should be realistic regarding the state's fiscal policies and economic outlook.

The Governor and General Assembly may seek the Commission's judgments about the essential needs of the system of higher education because state resources are so limited, and because construction budgets compete with tax dollars for operating budgets.

The CCHE five-year Capital Improvement Plan that CCHE sends to the Governor and General Assembly should reflect the various institutional facilities master plans and the Commission's assessment of higher education priorities.

5.1 Policies and Criteria for Essential Capital Investment Needs

Policies and criteria for essential capital investment needs include completion of current projects authorized by the general assembly and new projects intended to meet programmatic space needs or to preserve public property and the safety of occupants.

5.2 Completion of Current Projects Authorized by the Legislature

Current projects that have received a partial capital construction appropriation or an architectural/engineering appropriation for subsequent construction funding may be in the following categories:

- Renovation of existing space for revised academic programs,
- Consolidation of programs from functionally obsolete existing facilities to new buildings when greater space utilization or renovation is not practical or feasible; and
- Replacement of specialized instructional or hospital equipment with item costs exceeding \$250,000.
- Capital Construction Consultant Services

Recommendations include campus physical facilities Master Plan updates and detailed life-cycle cost analyses and program planning for complex projects, as provided for by

statute and Long Bill headnotes.

5.3 New projects for:

New Projects included in the five year plan may:

- Consolidate programs from functionally obsolete existing facilities to new buildings when greater space utilization or renovation is not practical or feasible.
- Correct serious health hazards;
- Renovate campus buildings to bring them into compliance with more stringent fire safety codes;
- Make utility and site improvements responsive to demands for more efficient physical plant operation or to prevent of disruptions to vital campus operations; and
- Compliance with changing codes, regulations and standards not otherwise rectified through space renovation projects.

HISTORY: CCHE AgendaItem III, C – November 5, 2009