



December 11, 2015

The Honorable Senator Richard Devlin, Co-Chair
The Honorable Representative Peter Buckley, Co-Chair
Interim Joint Committee on Ways and Means
900 Court Street NE
H-178 State Capitol
Salem, OR 97301-4048

Dear Co-Chairpersons:

Nature of the Request

The Higher Education Coordinating Commission (HECC), is requesting capital project scope changes for two previously approved community college capital projects (Linn-Benton CC and Southwestern Oregon CC) and two technical changes for Clackamas CC and Blue Mountain CC projects.

Agency Actions

HECC has worked with the colleges and have identified previously approved projects that need additional legislative adjustments to effectively complete them. The Commission approved the following at the December 10, 2015 meeting.

Scope Changes for community colleges:

1. Linn-Benton CC – Chapter 727, Oregon Laws 2013, SB 5507, Section 6 (9) - College Nursing and Allied Health Facilities. Facility being moved from their Albany campus to their Lebanon campus which also necessitates the purchase of land for the building site. This approved project is for the construction of a new facility for 12 Allied Health programs located in proximity to major health providers or education centers. This law and Article XI-G of the Oregon Constitution allow for the use of State bonds by community colleges to purchase land as part of the overall capital construction project to benefit their educational institutions.
2. Southwestern Oregon CC – Chapter 727, Oregon Laws 2013, SB 5507, Section 6 (13) – College Health and Science Building. The college is changing the scope of the project from constructing a new building to remodeling/adding onto the existing Health building on the main campus. This approved project is for the construction of a new facility with laboratory, classroom, and auxiliary space for expansion of allied health and science programs. The facility will support increased use of technology and distance education in health and science programs. This law and Article XI-G of the Oregon Constitution allow for the use of State bonds by community colleges to alter, repair, furnish, and equip existing buildings as part of the overall capital construction project to benefit their educational institutions.

Change in legislation for community colleges:

3. Technical correction needed to Chapter 366, Oregon Laws 2015, HB 2408, Section 102 (3). There needs to be an amendment to section 102 (3) to allow for the carryover of the balance of available expenditure authority from the Department of Community Colleges and Workforce Development to the Higher Education Coordinating Commission for the Clackamas CC – Harmony Campus Phase



If capital construction project originally approved in Chapter 904, Oregon Laws 2009, section 7 (3). Reference to Chapter 904, Oregon Laws 2009, section 7 (3) was excluded in the original bill authorizing the transfer of the available balance.

4. Blue Mountain CC – change to Chapter 79, Oregon Laws 2012, HB 5202, section 11 (1), to allow the college use of \$465,037 in lottery bond funds originally granted to build a classroom for their Veterinary Assistant Certificate Program that has remained unspent, to be used instead as match funds for the college’s general obligation bond project approved in Chapter 727, Oregon Laws 2013, SB 5507, Section 6 (1), for the construction of an Animal Science Education Center. The lottery bond classroom project would be part of the new building construction. Blue Mountain CC President Cam Preus has provided a justification letter for using the lottery bonds as match funds. Voters approved a local bond levy in May 2015 which secured the college’s match funds. The lottery bond funds would be used to supplement the local match funds to increase the overall project funding.

Action Requested

For items one and two, review and acknowledgement of the scope changes in the capital projects at both Linn-Benton CC and Southwestern Oregon CC. For items three and four, propose and enact the statutory changes.

Legislation Affected

For items one and two, there is no legislation that needs to be changed. For item three, Chapter 366, Oregon Laws 2015, Section 102 (3) needs to be amended. For item four, Chapter 79, Oregon Laws 2012, Section 11 (1) needs to be amended.

Sincerely,

Ben Cannon
Executive Director

cc: Doug Wilson, Legislative Fiscal Office
Bill McGee, Office of the Chief Financial Officer

Linn-Benton

COMMUNITY COLLEGE

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Albany, OR 97321
(541) 917-4999
www.linnbenton.edu

November 18, 2015

Dave Zerbe, Director
Office of Operations
Higher Education Coordinating Commission
255 Capitol St. NE, 3rd Floor
Salem, OR 97310

Dear Dave:

I am writing to request a technical correction to the language that appropriated \$8 million to Linn-Benton Community College (LBCC) for "construction of a new facility" for Nursing and Allied Health Facilities. The appropriation was included in SB 5507 from the 2013 Legislative Session.

Subsequent to the passage of that legislation, LBCC determined that partnering with Samaritan Health Services (SHS) on their Health Services Campus in Lebanon would improve educational opportunities for students. Such a location places the LBCC health training facility immediately adjacent to three directly related services: the SHS Lebanon Hospital, the College of Osteopathic Medicine of the Pacific-Northwest Medical School, and the Oregon Department of Veterans Affairs Edward C. Allworth Veterans' Home.

LBCC requests that acquisition of property on which to construct the healthcare facility be included as an appropriate use of the Article XI-G bond funds appropriated in SB 5507.

Please let me know if you have any questions.

Sincerely,



Dave Henderson, MBA
Vice President
Finance and Operations

DAH:d
cc: Dana Richardson



November 19, 2015

Higher Education Coordinating Commission
775 Court Street NE
Salem OR 97301-3827

In preparation for the upcoming February 2016 State of Oregon legislative short session, Southwestern Oregon Community College is submitting an update to the original "Statement of the Proposed Solution information for Due Diligence Review for the 2013-15 Community College Capital Construction Project Steering Committee and Legislative Review for a Health and Sciences Technology Building".

While the scope of the project hasn't changed, in Southwestern's subsequent efforts to refine and improve the project, the College has determined in partnership with our architectural partner that the Health and Sciences Technology Building project will be best achieved by building a new facility consisting of both new construction AND remodeled square footage of our existing Umpqua Hall. This enables Southwestern to –

- Increase the overall size of the proposed Health and Sciences Technology Building.
- Re-utilize an antiquated facility located at the center of our campus (Umpqua Hall).
- Lower our overall cost to stay within a \$16 million total budget for the complete Health and Sciences Technology Facility, consisting of the \$8 million state capital funds (IGRA 0790) and matching \$8 million Southwestern funds.

Our new Southwestern Statement of Proposed Solution is therefore –

Statement of the Proposed Solution (NEW)

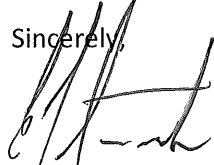
The proposed solution to expressed community and student health and environmental science career needs is the construction of an 48,644 square foot Health and Sciences Technology Building, consisting of approximately 36,847 square feet of new construction and 11,797 square feet of renovated space that will include appropriate laboratory, classroom, and ancillary spaces to accommodate increased capacity for our allied health and science programming. The facility would also support the integration of technology in the curriculum and distance delivery of programs.

For reference only, this is the College's original Statement of the Proposed Solution (*Original*) -

The proposed solution to expressed community and student health and environmental science career needs is the construction of a new 40,000 square foot Health and Sciences Technology Building that will include appropriate laboratory, classroom, and ancillary spaces to accommodate increased capacity for our allied health and science programming. The facility

would also support the integration of technology in the curriculum and distance delivery of programs.

Should you have any questions, please contact me at any time.

Sincerely,


Eric Stasak
Vice President of Administrative Services
Southwestern Oregon Community College
Eric.stasak@socc.edu

Date: November 18, 2015

To: Dan Findley, CCWD Director

From: Cam Preus, BMCC

Re: Request to combine lottery to GO capital projects

After careful consideration, I have determined that Blue Mountain Community College's (BMCC) capital improvement bond levy approved by voters in May of this year, it makes more sense to consolidate the lottery bond funded Veterinary Assistant program into our GO bond funded Applied Animal Science Education Center. The Applied Animal Science Center received reauthorization (HB5001) for \$3.3 million in Article XI-G bonds in the recently completed 2015 legislative session. Approval to use the \$465,037 lottery bond funding as match for Article XI-G bond furthers the ability of the college to maximize the resources available for capital construction across the district.

The new Applied Animal Science Education Center will house a large animal Veterinary Technician program which closely allies with the Veterinary Assistant Program course offerings. By consolidating the lottery bond funded Veterinary Assistant Program building into the larger animal sciences complex, we can achieve an economy of scale enhancement for the lottery dollars. We will not duplicate site preparation, foundation and utility infrastructure costs for a separate, standalone building. Additionally, we will not have to duplicate the animal handling infrastructure (pens, cages, kennels, alleyways, gates, paddocks, squeeze chutes, horse stocks, cattle sweeps, water troughs, wash racks, etc.) necessary for both programs.

Consolidating the Veterinary Assistant Program into the Applied Animal Science Education Center facility will also afford long term operating efficiencies and cost savings. Animal care (feeding, watering, exercise, patient observation, etc.) will be greatly simplified. Instructors and students will not be required to drive between two facilities. Finally, the consolidation will reduce utility and waste management costs resulting in substantial savings.

If granted, we will insure that all funds provided through the lottery bond program will be separately tracked and documented to show that a Veterinary Assistant Program facility, consistent with the purpose of the grant, has been developed within the facility which meets or exceeds all state program requirements. Based on current projected construction schedules, we estimate that the Applied Animal Science Education Center will be completed approximately 24 months after bond measure passage only slightly extending the 3 year lottery bond timeline.

In summary, the state's taxpayers and BMCC's student's will be better served by this decision. We will insure that all funds are properly accounted for and the college will document which portions of the new facility, and related capital equipment, were funded by the lottery backed bonds. I look forward to hearing from you.

From: Mark Neeley [<mailto:Mark.Neeley@odccwd.state.or.us>]
Sent: Wednesday, August 12, 2015 1:12 PM
To: Susan Violette; ZERBE David; RICHARDSON Dana * HECC
Cc: Mark Neeley
Subject: RE: CCWD Capital Construction Allotment - February Session

Thanks Susan. The appropriate reference for the original appropriation is:

Clackamas Community College - Harmony Campus Phase II project - Chapter 904, Oregon Laws 2009, Section 7 (3). Appropriation amount is \$8,000,000. HB 2408, section 102 (3) needs to be amended to include this statutory reference for this project. We sold bonds in April 2015 for this project, but the college is still in the planning phase for this project, so I don't anticipate any bond draws between now and February 2016, as they will be spending their \$8,000,000 match first. But, it does need to be corrected.

Mark

From: Susan Violette
Sent: Wednesday, August 12, 2015 12:01 PM
To: david.zerbe@state.or.us; RICHARDSON Dana * HECC
Cc: Mark Neeley
Subject: FW: CCWD Capital Construction Allotment - February Session

Hi Dave and Dana,

If you haven't already heard, there is one capital construction project for which we did not get into legislation that allows the balance to be transferred to HECC. The only solution we can come up with is taking it to the February session.

Michele Nichol, "Appn 32518/AY11 seems to have been omitted from HB2408 language allowing the transfer of funds to HECC. The rest of the appropriations balances have been transferred."

Thanks,
Susan

From: Mark Neeley [<mailto:Mark.Neeley@odccwd.state.or.us>]
Sent: Wednesday, August 05, 2015 1:35 PM
To: NICHOLS Michele * DAS; MORIARTY Tyna
Cc: VIOLETTE Susan M; MORIARTY Tyna; Serena Harris; Mark Neeley; Jerry Russell
Subject: RE: CCWD Capital Construction Allotment

Michele - that sounds right to me. Hopefully 32521 soon and will have to wait until Feb. 2016 session for approval to move 32518.

Thanks

Mark

From: NICHOLS Michele * DAS [<mailto:Michele.Nichols@oregon.gov>]
Sent: Wednesday, August 05, 2015 1:32 PM

To: MORIARTY Tyna
Cc: VIOLETTE Susan M; MORIARTY Tyna; Mark Neeley
Subject: RE: CCWD Capital Construction Allotment

I have entered most of the capital construction transfers between CCWD and HECC. There are two that I could not do yet. Appn #32521/AY11 I need to wait until SB5006 is signed since that is the bill that extends the effective end date. Appn 32518/AY11 seems to have been omitted from HB2408 language allowing the transfer of funds to HECC. The rest of the appropriations balances have been transferred. Please let me know if you have any questions. Thanks!

Michele Nichols
Chief Financial Office
SABR Section
(503)373-1863