



# OREGON'S INVESTMENT IN POSTSECONDARY CAPITAL

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# A Decade of Capital Investment (2009-2021)

## Value of Bonds Issued by the State

**\$905M** Invested by State in University Capital Construction (XI-G, LRB and XI-Q)

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**\$302M** Invested by State in Community College Capital Construction (XI-G and Lottery Bonds)

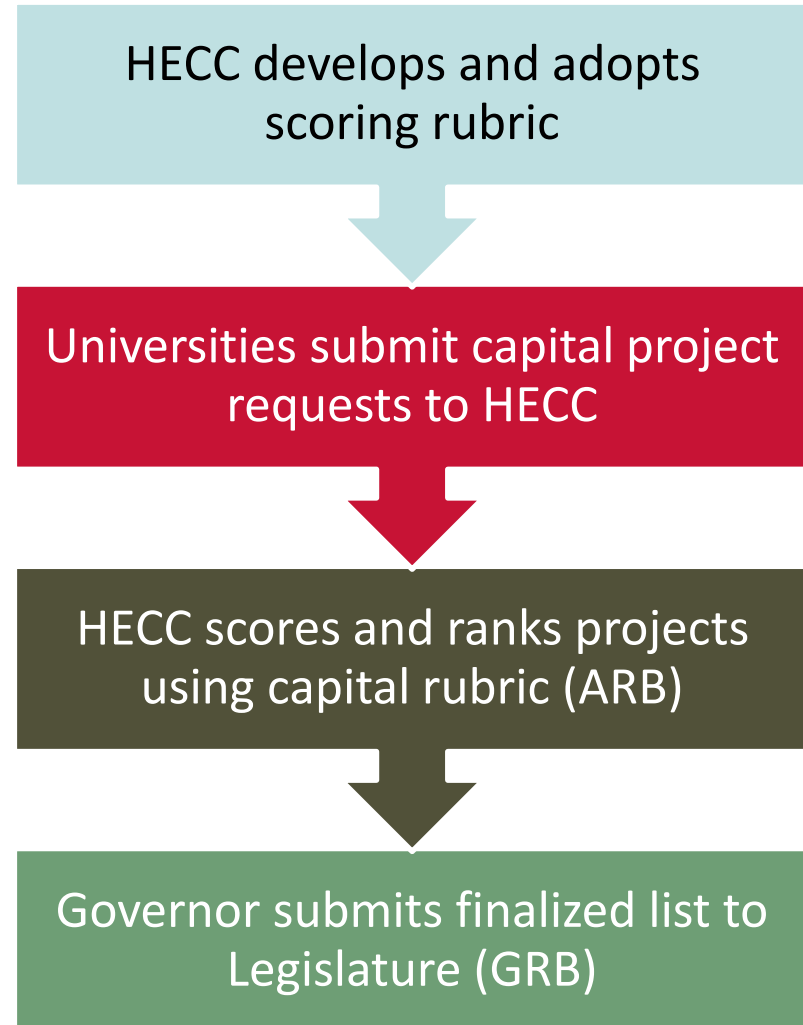
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**\$617M** Invested by the Universities in capital (XI-F)

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# University Capital Prioritization Process

- *“The commission shall establish a process for reviewing [public university] requests to issue state bonds” (ORS 352.089).*
- HECC staff recommendations are based on institution-submitted information and visits to all campuses with requests.
- Projects are scored and ranked using a Commission-adopted rubric.



# Public University Legislatively Approved Capital Projects, 2019 (LAB)

2019-2021 Biennium, LAB (in millions \$)				
Institution	Project	State Paid	Campus Paid	Total
ALL	Capital Improvement and Renewal	\$65.7	-	\$65.7
OIT	Oregon Manufacturing Innovation Center	\$12.9	-	\$12.9
Totals (includes cost of issuance)		\$78.6	-	\$78.6

# Capital Improvement and Renewal Formula

Provides  
critical state  
funding to  
address:

- Current capital improvements
- Code compliance
- ADA and safety-related projects
- aka “Deferred maintenance”



# Taking a New Approach: The Ten Year Strategic Capital Development Plan

To provide a high-level summary of state capital needs for public universities based on demographic, economic, industry, and other environmental factors

Developed by outside experts: SmithGroup and NCHEMS

Undertaken February-October 2019 in partnership with stakeholders, including two rounds of campus visits and extensive data analysis

Led to four main recommendations and seven key findings

# The Consulting Team: Smith Group

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Understanding of the academy from the inside

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Breadth & depth of higher education experience

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Expertise in data management and visualization

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Space Needs Assessments and Analytics

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Benchmarking

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Capital Planning

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Process and Policy Recommendations

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700 Campuses

49 States

10+ State  
Systems

38 Years in  
Higher Education  
Planning





# Data Collection Efforts

## Institutional Data

- Academic, Facility, and Capital Plans
- Deferred Maintenance Facility Condition Assessments
- Space Inventory Data
- Research Expenditures
- Enrollment and Enrollment Projections
- Student Data including Student Success Data

## Workforce, Economic and Demographic Data

- Demographic data and population estimates – PSU Population Research Center and DAS
- Workforce and economic data from Oregon Employment Department, HECC Workforce Investments and EMSI



# Engagement with Stakeholders

## Initial Campus Visits

- **Institutional Leadership**  
– campus plans
- **Facilities Staff** – Data verification
- **Academic Affairs and Student Affairs** –  
Understand facility and academic program needs

## Follow-Up Visits

- **Workforce Stakeholders**  
– occupational gap analysis
- **Students** – support and success needs
- **Economic Development**  
– research and other needs

# Four Main Recommendations

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Invest in Capital Improvement and Replacement

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Incentivize Collaboration

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Define Institutional Roles and Missions

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Improve Capital Planning Practices

# Invest in Capital Improvement and Replacement

## Focus on Existing Infrastructure

- Enrollment history and future demographics do not forecast statewide capacity issues
- Will not require a significant investment in new capital

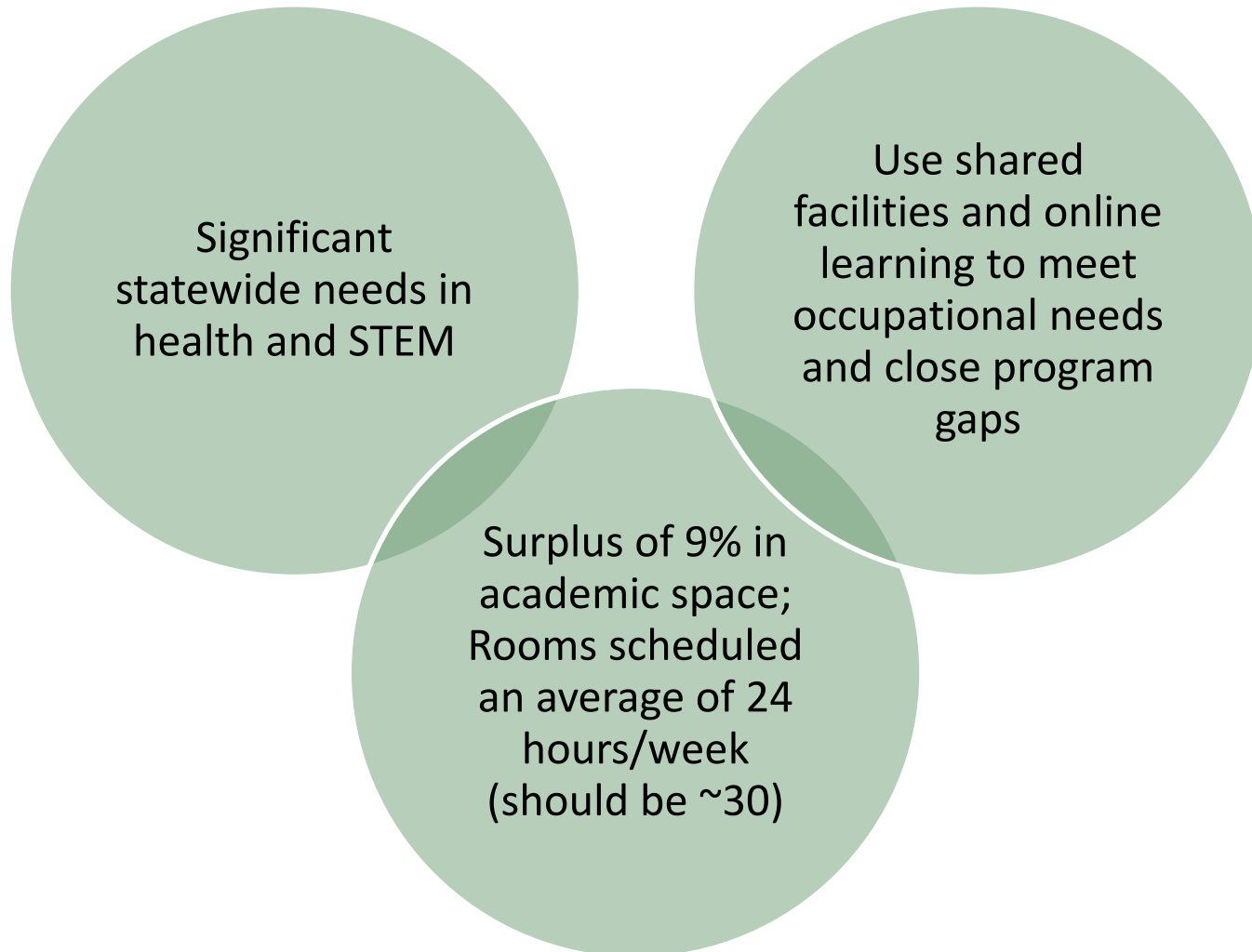
## \$250 million per year (estimated)

- National best practice calls for investing 2.5% of current replacement value per year in CIR

## Suitability and Quality Issues

- Existing deferred maintenance backlog of +\$1 billion
- 55% of buildings > 50 years old

## Incentivize Collaboration



## Define Institutional Roles and Missions

Institutional missions lack clarity; and for some, space needs depend on it

Effective capital planning would be aided by more rigorously defined missions including:

- Audiences to be served – geographic, selectivity, etc.
- Programs to be offered – levels and academic fields
- Unique roles – land grant, health related, minority serving, etc.

## Improve Capital Planning Practices

Embrace a broader definition of capital. Demolition should be considered for obsolete facilities.

Add professional facilities staff at the HECC given the magnitude of state investment.

Require facility space inventories and utilization standards.

Develop and maintain facility condition assessments.

# Revised 2019-21 University Capital Rubric

## Strategic Capital Development Plan (1-52 points)

- 24 pts – Space renewal, workforce or completion priorities
- 12 pts – Addressing deferred maintenance issues
- 8 pts – Support research & economic development
- 8 pts – Collaboration with interested parties

## Operational Savings and Sustainability (1-8 points)

- Does the project reduce operational costs, support continued efficiency or increase the sustainability of the facility?

## Life safety, Security or Loss of Use (1-10 points)

- Does the project meet life, safety and code compliance needs of mission critical items or improve the security of the facility?

## Institutional Priority (1-5 points)

- What's the priority within the existing master plan?

## Student Success for Underserved Populations (1-10 points)

- How will the project impact the success of students from underserved populations?

## Leveraging Institutional Resources (1-15 points)

- Is the project funded by a campus match or pledged resources?



# Timeline for 2020 University Capital Requests



# Prioritized List of University Capital Projects, 2020

Priority	Institution	Project Submittals	HECC Rubric Score	XI-G	XI-Q	Subtotal	Gifts/Other	Project Total	State Running Total
1	OSU	Cordley Hall Renovation, Phase II	95	\$ 28,000,000	\$ -	\$ 28,000,000	\$ 28,000,000	\$ 56,000,000	\$ 28,000,000
2	OIT	Boivin Hall Rehabilitation	93	\$ 1,015,000	\$ 18,270,000	\$ 19,285,000	\$ 1,015,000	\$ 20,300,000	\$ 47,285,000
3	PSU	SB1 Renovation & Expansion	92	\$ 7,500,000	\$ 67,500,000	\$ 75,000,000	\$ 7,500,000	\$ 82,500,000	\$ 122,285,000
4	WOU	Student Success Center	91	\$ -	\$ 21,340,000	\$ 21,340,000	\$ 660,000	\$ 22,000,000	\$ 143,625,000
5	UO	Huestis Hall Deferred Maintenance	89	\$ 6,360,000	\$ 50,880,000	\$ 57,240,000	\$ 6,360,000	\$ 63,600,000	\$ 200,865,000
6	OSU	Arts and Education Complex	85	\$ 35,000,000	\$ -	\$ 35,000,000	\$ 35,000,000	\$ 70,000,000	\$ 235,865,000
7	OSU-CC	Student Success Center	84	\$ 5,000,000	\$ 7,900,000	\$ 12,900,000	\$ 5,000,000	\$ 17,900,000	\$ 248,765,000
8	WOU	Health Science Remodel	83	\$ -	\$ 48,015,000	\$ 48,015,000	\$ 1,485,000	\$ 49,500,000	\$ 296,780,000
9	EOU	Inlow Hall Renovation, Phase II	74	\$ -	\$ 10,600,000	\$ 10,600,000	\$ -	\$ 10,600,000	\$ 307,380,000
10	SOU	Music Renovation & DMC Addition	74	\$ -	\$ 13,650,000	\$ 13,650,000	\$ 450,000	\$ 14,100,000	\$ 321,030,000
11	SOU	Britt Phase II DM & Creative Institute	66	\$ -	\$ 4,700,000	\$ 4,700,000	\$ 50,000	\$ 4,750,000	\$ 325,730,000
12	WOU	Performing Arts Remodel	63	\$ -	\$ 16,005,000	\$ 16,005,000	\$ 495,000	\$ 16,500,000	\$ 341,735,000
13	WOU	Achievement, Movement and	51	\$ -	\$ 30,264,000	\$ 30,264,000	\$ 936,000	\$ 31,200,000	\$ 371,999,000
14	EOU	Grand Staircase Replacement	40	\$ -	\$ 3,000,000	\$ 3,000,000	\$ 80,000	\$ 3,080,000	\$ 374,999,000
15	OSU-CC	Land Development - Area 2	35	\$ 835,000	\$ 15,830,000	\$ 16,665,000	\$ 835,000	\$ 17,500,000	\$ 391,664,000
N/A	SOU	Cascade Hall Demolition	N/A	\$ -	\$ -	\$ -	\$ 3,500,000	\$ 3,500,000	
		<b>Total/Average</b>	<b>74</b>	<b>\$ 83,710,000</b>	<b>\$ 307,954,000</b>	<b>\$ 391,664,000</b>	<b>\$ 91,366,000</b>	<b>\$ 483,030,000</b>	

