



Oregon's Investment in Postsecondary Capital

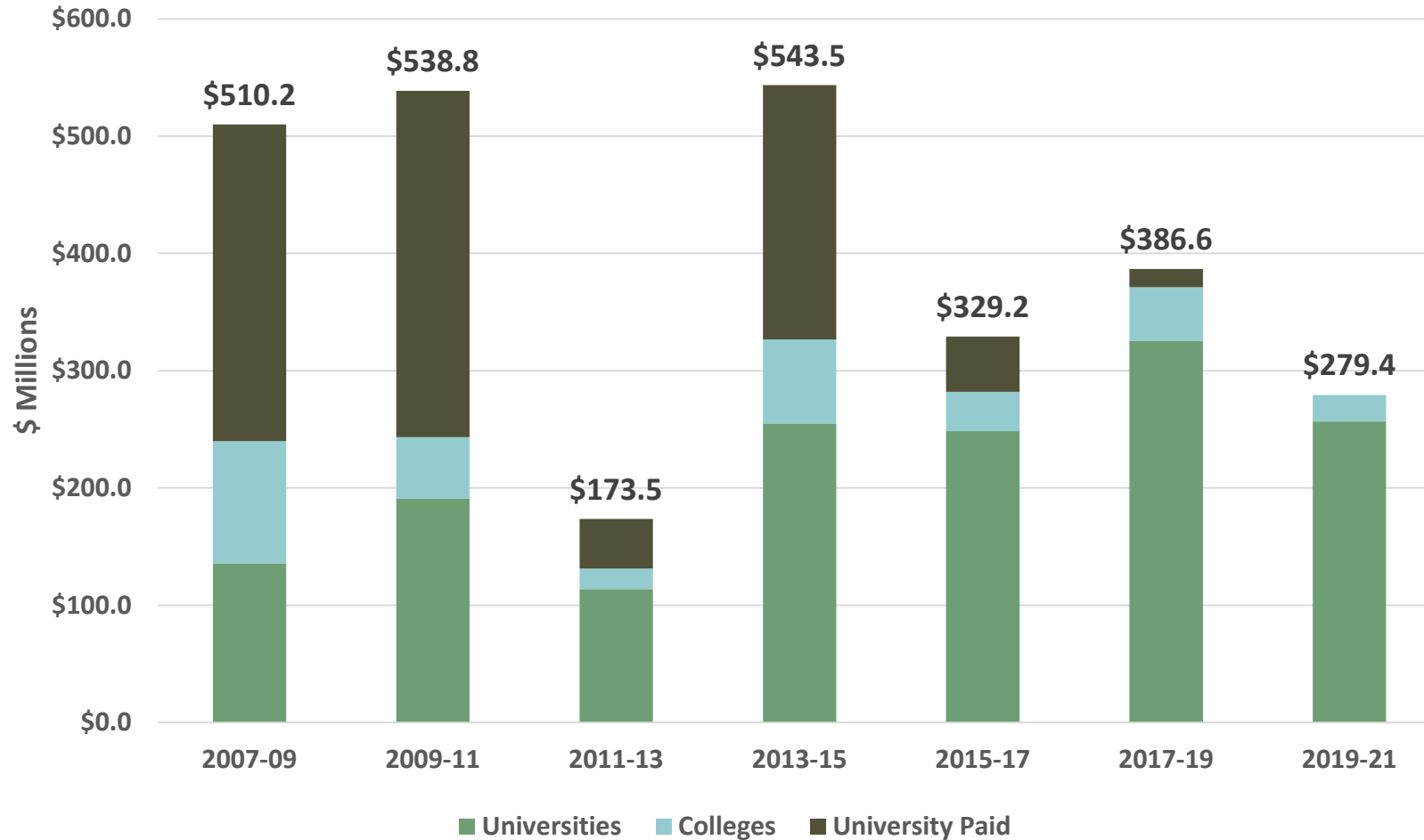
PRESENTED TO THE JOINT COMMITTEE ON WAYS AND MEANS, SUBCOMMITTEE ON CAPITAL CONSTRUCTION

BEN CANNON, Executive Director

April 23, 2021

\$2.8 Billion State Investment in Capital

State Issued Bonds for Postsecondary Education, 2009-2021



\$1.53B Universities (G, Q)

\$348M Comm. Colleges (G)

\$888M University Paid (F)

XI-F(1) BONDS – University Only

Backed by university revenues and can be utilized for non E&G projects

University pays debt service

XI-G BONDS – Colleges and Universities

Institution must provide at least 1:1 match. Restricted to higher education.

State pays debt service

XI-Q BONDS – University Only

No matching requirement. Restricted to state-owned buildings.

State pays debt service

Notes: Data from DAS Capital and HECC staff. Does not include institutional resources or bonds issued by local districts.

Community College Rules

Funded by Article XI-G bonds or lottery funds.

No more than one XI-G project approved per institution.

Aggregate amount authorized for projects at a single college may not exceed \$8 million.

University Principles

All state-backed debt will support the Strategic Capital Development Plan through investments in education and student support spaces.

Institutions must plan for the ongoing operational and maintenance needs of their facilities.

State-backed debt will extend the useful life of current assets, expand the capacity to meet student needs, or further competitive advantages.

Community College Process



University Process



- For the colleges, projects are ranked with the institutions via a capital review committee.
- For the universities, projects are ranked by HECC staff using a Commission-adopted rubric.

2021-23 College Rubric

Administrative Rule Criteria
(1-51 points)

Presidents' Strategic Review
Criteria (1-25 points)

Due Diligence Criteria
(1-24 points)

2021-23 University Rubric

Strategic Capital Development Plan
(1-52 points)

Operational Savings and Sustainability
(1-8 points)

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

Institutional Priority
(1-5 points)

Student Success for Underserved
Populations (1-10 points)

Leveraging Institutional Resources
(1-15 points)

Detailed rubrics are included in the appendix.

Community College Capital Request (GRB)

2021-23 Biennium, in \$ millions

Priority and College		Project	XI-G Bonds	Institutional Funds	Total Project Cost
1	Tillamook Bay	New CTE Building and Renovations	\$8.0	\$14.6	\$22.6
2	Rogue	Transportation Technology Complex	\$7.0	\$7.7	\$14.7
3	Linn-Benton	Agricultural Center	\$8.0	\$8.0	\$16.0
4	Chemeketa	Building Seven Remodel	\$8.0	\$8.0	\$16.0
5	Klamath	Childcare Learning Complex	\$1.5	\$1.5	\$3.0
		TOTALS	\$32.5	\$39.8	\$72.3

Strategic Capital Development Plan – Public Universities

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
- Completed October 2019
- Four main recommendations and seven key findings

Main Recommendations

Invest in capital renewal and improvement

Incentivize collaboration

Define institutional roles and missions

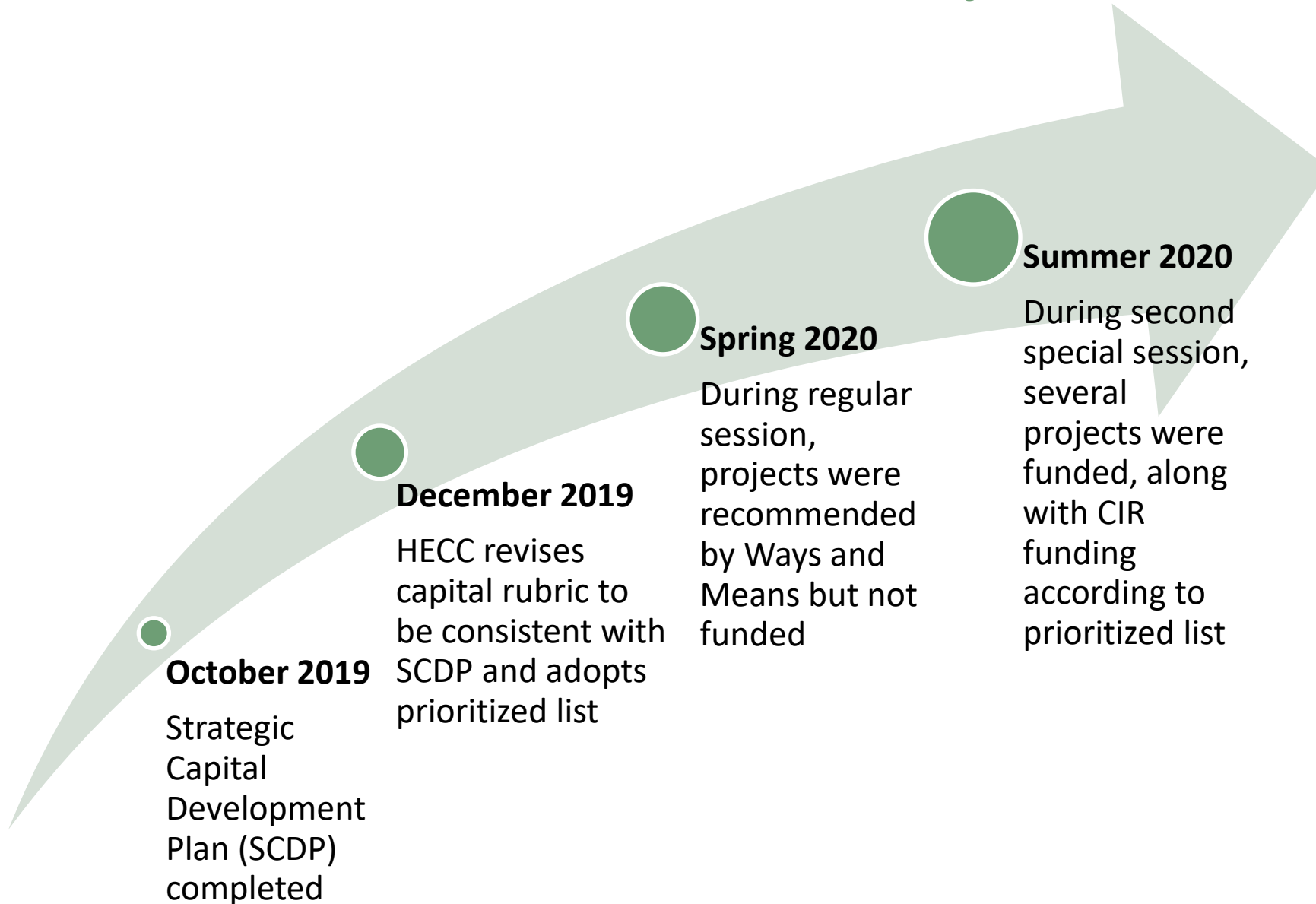
Improve capital planning practices

Rubric Changes

Based on the plan, HECC revised the rubric to place more focus on:

- Renewal and repair of existing facilities
- Success of underserved students
- Addressing deferred maintenance
- Collaboration

2019-21 Biennium Timeline and Projects



Projects Submitted

- Aligned with SCDP on improvement and replacement
- Focused on STEM and student success
- \$91.4 million in institutional matching
- \$230.6 million in eliminated deferred maintenance

Progression of Prioritized 2019-21 Public University Projects

Priority	Institution	Project	State	Institution	Total	2020 Regular Session, W&M Rec	2020 2nd Special, Funded
1	OSU	Cordley Hall Renovation, Phase II	28,000,000	28,000,000	56,000,000		
2	OIT	Boivin Hall Rehabilitation	19,285,000	1,015,000	20,300,000	X	X
3	PSU	SB1 Renovation & Expansion*	60,000,000	7,500,000	67,500,000	X	X
4	WOU	Student Success Center	21,340,000	660,000	22,000,000	X	
5	UO	Huestis Hall Deferred Maintenance	57,240,000	6,360,000	63,600,000	X	X
6	OSU	Arts and Education Complex	35,000,000	35,000,000	70,000,000	X	X
7	OSU-CC	Student Success Center	12,900,000	5,000,000	17,900,000	X	
8	WOU	Health Science Remodel	48,015,000	1,485,000	49,500,000		
9	EOU	Inlow Hall Renovation, Phase II	10,600,000	-	10,600,000		
10	SOU	Music Renovation & DMC Addition	13,650,000	450,000	14,100,000		
11	SOU	Britt Phase II DM & Creative Inst	4,700,000	50,000	4,750,000		
12	WOU	Performing Arts Remodel	16,005,000	495,000	16,500,000		
13	WOU	PE Addition & Remodel	30,264,000	936,000	31,200,000		
14	EOU	Grand Staircase Replacement	3,000,000	80,000	3,080,000		
15	OSU-CC	Land Development - Area 2	16,665,000	835,000	17,500,000		
n/a	SOU	Cascade Hall Demolition	-	3,500,000	3,500,000	X	
TOTALS			376,664,000	91,366,000	468,030,000		

*\$52.5 million of XI-Q funding was appropriated

Note: Seven projects were recommended for funding by Ways and Means during the 2020 regular session. Four projects were funded during the 2020 2nd Special Session.

Prioritized 2021-23 Public University Projects

Institution	Rank (points)	Project	XI-Q	XI-G	Institutional Funds	Total Project Cost
WOU*	91	Student Success Center	21,340,000	-	660,000	22,000,000
OSU-CC*	84	Student Success Center	7,900,000	5,000,000	5,000,000	17,900,000
SOU*	N/A	Cascade Hall Demolition	-	-	3,500,000	3,500,000
All	N/A	Capital Improvement and Renewal	80,000,000	-	-	80,000,000
PSU	99	The Gateway Center Reuse and Extension	45,000,000	5,000,000	5,000,000	55,000,000
OSU	98	Cordley Hall Renovation Phase II	61,000,000	25,000,000	57,000,000	143,000,000
EOU	95	Inlow Hall Renovation Phase II	17,700,200	564,900	564,900	18,830,000
UO	94	Heritage Renovation Project	52,650,000	5,850,000	5,850,000	64,350,000
EOU	90	Loso Hall Renovation Phase II	27,006,000	862,000	862,000	28,730,000
SOU	89	Music Hall Renovation	13,650,000	-	450,000	14,100,000
WOU	87	Health Sciences Remodel	49,500,000	742,500	742,500	50,985,000
SOU	84	Britt Hall - Phase 2 DM	4,700,000	-	50,000	4,750,000
WOU	80	New P.E. Remodel	19,400,000	300,000	300,000	20,000,000
OSU	76	Collaborative Innovation Complex	-	50,000,000	50,000,000	100,000,000
OIT	73	Learning Resource Center Rehabilitation	19,035,000	607,500	607,500	20,250,000
OSU	35	Phase 2 Remediation & Campus Infra.	15,830,000	835,000	835,000	17,500,000
OIT	22	Campus Infrastructure	18,000,000	-	-	18,000,000
TOTALS			452,711,200	94,761,900	131,421,900	678,895,000

* Holdover project from 2019-21 biennium not included in ARB. SOU's Cascade Hall demolition is ineligible for bonding.

Note: Three projects recommended by Ways and Means during 2020 but not funded during the special session were added to the list of projects for 2021-23 to be considered for the GRB.

Public University Capital Request (GRB)

2021-23 Biennium, in \$ millions

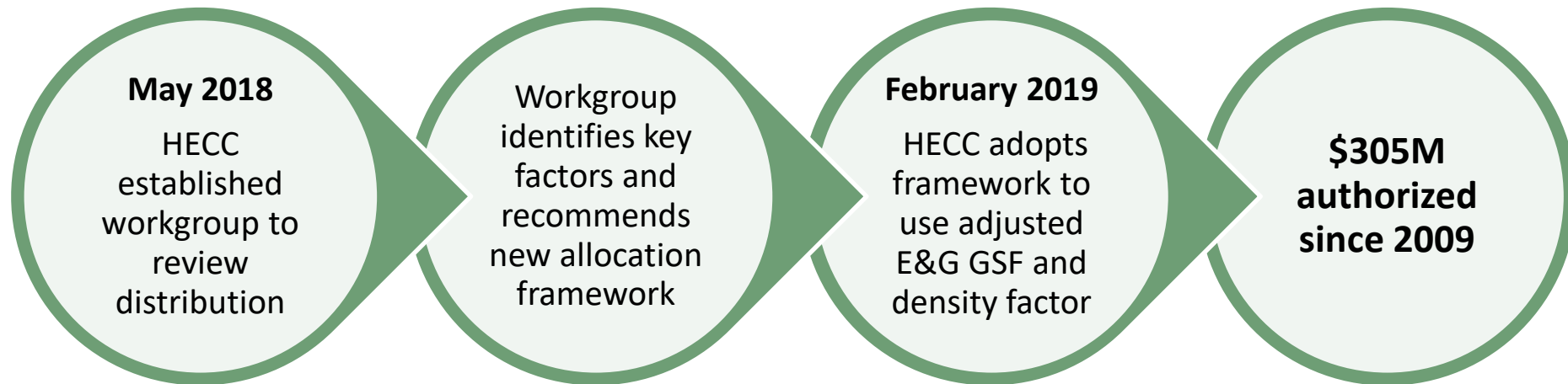
Priority and University		Project	XI-Q Bonds	XI-G Bonds	Institutional Funds	Total Project
1	All	Capital Improvement and Renewal	\$80.0	-	-	\$80.0
2	OSU-CC*	Student Success Center	\$7.9	\$5.0	\$5.0	\$17.9
3	PSU*	Gateway Center Reuse and Extension	\$45.0	\$5.0	\$23.0	\$73.0
4	OSU	Cordley Hall Renovation, Phase II	\$61.0	\$25.0	\$57.0	\$143.0
5	EOU	Inlow Hall Renovation, Phase II	\$17.7	\$0.6	\$0.6	\$18.9
6	UO	Heritage Renovation Project	\$52.6	\$5.9	\$5.9	\$64.4
		TOTALS	\$264.2	\$41.5	\$91.5	\$397.2

Notes: For OSU, the GRB mistakenly included the OSU Phase II remediation project but intended to include the OSU-Cascades Student Success Center project instead. The PSU Gateway Center Project includes a request for XI-F bonds that was not included in the GRB but represented in institutional funds above.

Capital Repair and Renewal Funding

Provides critical state funding to address:

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



Recommendation: Increase funding from \$65M to \$80M consistent with SCDP as top priority.

Financial Aid Management Information System (FAMIS) Modernization

Efficient, Effective Service for Students and Stakeholders

Challenge:

40 year old system that processes the personal information of every Oregonian who completes state financial aid application(s).

Unsecure – dealing with personal information

Unreliable – lack of confidence in award notices

Unfriendly – Hard to navigate and complete

Inflexible – Difficult to make changes

It is *the* student financial aid IT platform through which we receive information, process applications, match data, make awards and notify students and institutions.

Solution: POP 401

FAMIS needs to be replaced with a financial aid system that is secure and has modern capabilities that will allow HECC to serve students and administer programs effectively and efficiently.

- 1) Stage 1 planning process complete
- 2) Gartner consultants and EIS concur *that*
- 3) Return on investment is 5 years

Cost: \$5M OF (XI-Q bonds), \$105K OF COI, \$867K GF Debt Service = \$5.972M TF



Postsecondary Capital Process and Request: Appendix

Appendix: 2021-23 Community College Capital Rubric

Administrative Rule Criteria (1-51 points)

- 10 pts – Serves an instructional purpose
- 10 pts – Meets an important, demonstrated need
- 10 pts – Meets facilities need that can't be addressed
- 7 pts – Serves to complete a comprehensive facility
- 7 pts – Meets important, articulated objective of the college
- 7 pts – Reflects evidence of local needs assessment

Presidents' Strategic Review Criteria (1-25 points)

- 5 pts – Addresses safety and security on campus?
- 5 pts – Meets occupation, community or economic need?
- 5 pts – Includes collaboration?
- 5 pts – Intention to meet sustainability standards?
- 5 pts – Does the project support student services/spaces?

Due Diligence Criteria (1-24 points)

- 10 pts – Statement of need and statement of solution
- 5 pts – Facility features including gross square footage
- 3 pts – Costs including planning and programming
- 6 pts – Schedule, planning and financial considerations

Appendix: 2021-23 Public 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?