

HIGHER EDUCATION  
CASH FUNDED CAPITAL PROJECTS REPORT  
FY2009-10

DECEMBER 1, 2010

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D. RICO MUNN, EXECUTIVE DIRECTOR

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# STATE OF COLORADO



DEPARTMENT OF HIGHER EDUCATION

Bill Ritter, Jr.  
Governor

D. Rico Munn  
Executive Director

## Memorandum

TO: Capital Development Committee  
FROM: Daniel Krug, Director of Capital Assets and Compliance  
SUBJECT: Higher Education Cash Funded Capital Projects Report, FY2009-10

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Enclosed is the Department of Higher Education (DHE) report on Cash funded projects for FY2009-10. Institutions of higher education are required by C.R.S. 23-1-106(11)(a) to annually submit information to the Colorado Commission on Higher Education (CCHE) on cash funded projects commenced under C.R.S. 23-1-106(9) or (10). These institution submissions are compiled into the enclosed report and delivered to the General Assembly's Capital Development Committee (CDC) as required by C.R.S 23-1-106(11)(b).

For the first time this report is divided into two parts. The first part details the FY2009-10 expenditures on "small projects" costing less than \$2 million that did not require nor receive advance review and/or approval by the CCHE or the CDC. These small projects were originally called "209 projects" and were created under SB01-209 and revised under SB09-290.

The second part of this report details the FY2009-10 expenditures on "major projects" costing more than \$2 million that were included on *Two-Year Cash Funded Capital Program List* submitted by Governing Boards and approved by the CCHE and the CDC. These projects and this report were created by SB09-290 which took partial effect on July 1, 2009 and full effect on January 1, 2010. This is the first year in which these projects are to be reported.

Per statute only the ten Governing Boards and the Auraria Higher Education Center must comply with these procedures (Adams State College, Fort Lewis College, Mesa State College, Metropolitan State College of Denver, Western State College, University of Northern Colorado, Colorado School of Mines, University of Colorado System, Colorado State University System, and the Colorado Community College System). Local District Colleges (Aims Community College and Colorado Mountain College) and the Area Vocational Schools (Emily Griffith Opportunity, Delta-Montrose Technical College, and Pickens Technical College) are not subject to the same rules.

The chart below outlines DHE's understanding and interpretation of statute. This report will detail only the "Cash Funds" segment of the chart with Part I focusing on "209 projects" and Part II focusing on "Cash projects":

# Higher Education Capital Construction Chart

## Cash Funds

## State Funds

**“209 projects”**  
 < \$2.0 million

**Cash projects**  
 > \$2.0 million

**“Capital Construction” &  
 “Capital Renewal”**

**“Controlled Maintenance”**

*Constructed/Acquired with:*  
 - cash funds held by the institution

*Review Process:*  
 - Not reviewed  
 - CCHE submits annual report.

C.R.S. 23-1-106(9)(d)(II) and  
 (10)(a)(III)

*Constructed with:*  
 - appropriated CCF dollars from GF  
 - may contain cash contributions

*Review process:*  
 - Reviewed by CCHE, OSPB, & CDC  
 - CCHE and OSPB review and prioritize  
 - OSPB incorporates into statewide list  
 - Listed on Five-Year Plan

C.R.S. 23-1-106(7)

*Constructed with:*  
 - appropriated CM dollars from GF

*Review process:*  
 - Not reviewed by CCHE  
 - Proposals submitted directly to OSA  
 - OSA reviews and prioritizes and notifies CCHE, OSPB, & CDC  
 - Not on Five-Year Plan

C.R.S. 24-30-1301(2)

**Constructed with funds not subject to the Intercept Act (SB08-245)**

**Constructed with funds subject, in whole or in part, to the Intercept Act (SB08-245)**

**“Non-Intercept Academic cash projects”** (Formerly “Regular Cash”)

**“Non-Intercept Auxiliary cash projects”** (Formerly “202”)

**“Intercept Academic cash projects”** (Formerly “Regular Cash”)

**“Intercept Auxiliary cash projects”** (Formerly “202”)

*Constructed/Acquired with:*  
 - cash funds held the by the institution (e.g. appropriated “academic and academic facility fees”)

*Review process:*  
 - Not reviewed by CCHE  
 - Included on 2 year Cash List

*Operated and maintained by:*  
 - cash funds and/or state monies

C.R.S. 23-1-106(9)(b)

*Constructed/Acquired with:*  
 - cash funds held the by the institution (e.g. non-appropriated student fees, parking, rec center, housing, or research funds)

*Review process:*  
 - Not reviewed by CCHE  
 - Included on 2 year Cash List

*Operated and maintained by:*  
 - cash funds

C.R.S. 23-1-106(9)(a)

*Constructed/Acquired with:*  
 - cash funds held the by the institution (e.g. appropriated “academic and academic facility fees”)

*Review process:*  
 - Receive expedited review by CCHE, CDC advisory role  
 - Included on 2 year Cash List

*Operated and maintained by:*  
 - cash funds and/or state monies

C.R.S. 23-1-106(10)(a)(II)

*Constructed/Acquired with:*  
 - cash funds held the by the institution (e.g. non-appropriated fees, parking, rec center, housing, or research funds)

*Review process:*  
 - Receive expedited review by CCHE, CDC advisory role  
 - Included on 2 year Cash List

*Operated and maintained by:*  
 - cash funds

C.R.S. 23-1-106(10)(a)(I)

## Part I: 209 Small Projects

### Introduction

This report is submitted as required by C.R.S 23-1-106(11) and is a compilation of institutional reports submitted to DHE. It tracks capital expenditures that are not subject to DHE review under C.R.S. 23-1-106 subsections 9 and 10, including projects costing less than \$2 million that are completed with Cash Funds. The dollar threshold for these projects began at \$500,000 before rising to \$1 million and ultimately reaching \$2 million in HB08-1205 for FY2008-09.

For FY2009-10, all but one institution was classified as having enterprise status and therefore was not subject to TABOR spending limits. In the memorandum from the Office of the State Auditor to the Legislative Audit Committee entitled *Higher Education TABOR Enterprise Status* dated October 22, 2010 “one institution (Fort Lewis College) did not qualify as a TABOR-exempt enterprise for Fiscal Year 2010. It is projected that all institutions will qualify as a TABOR enterprise for Fiscal Year 2011.”

Part I is organized by campus and includes descriptions of each project undertaken along with square feet added (if applicable), project type, total cost and funding source.

**Table 1**  
**Three year comparison of 209 Reports: FY2007-08 through FY2009-10**

| Category         | FY2007-08    | FY2008-09    | FY2009-10    | # Change     | % Change |
|------------------|--------------|--------------|--------------|--------------|----------|
| # of Projects    | 623          | 938          | 955          | 332          | 53.3%    |
| Additional Sq Ft | 912          | 44,137       | 100,441      | 99,529       | 10,900%  |
| Cash Funds       | \$34,194,735 | \$65,000,757 | \$79,157,718 | \$44,962,983 | 131.5%   |
| Federal Funds    | \$8,710,471  | \$8,670,312  | \$9,561,357  | \$850,886    | 9.8%     |
| Total Costs      | \$46,429,022 | \$73,671,069 | \$88,719,075 | \$42,290,053 | 91.1%    |

Table 1 compares grand totals for all projects reported in from the last three fiscal years. In FY2009-10, total costs for 209 projects increased by 91.1% from \$46.4 million to \$88.7 million and the total number of small projects also increased from 623 to 955; an increase of 53.3%. SB05-132, enacted June 2005 for FY06-07, increased 202 project reporting requirements from those under \$250,000 to those under \$1,000,000 and increased Cash Funded project reporting requirements from those under \$250,000 to those under \$500,000. The 209 report has shown increasing dollar amounts since FY2004-05 and has resulted in increased small project dollar amounts. Recent legislation has increased this limit to \$2,000,000 and given Cash Funded projects the same expedited review process as given to 202 projects. Staff suspect that this has led to a large portion of the increase from FY2007-08 to FY2009-10.

The largest change between FY2007-08 and FY2009-10 was the continued fluctuation in additional square feet added to the campuses. FY2007-08 saw only small scale additions, FY2008-09 saw several large projects at Mesa State College, Metropolitan State College of Denver, and Colorado State University, and FY2009-10 saw three institutions (Mesa State College, Colorado State University, and Front Range Community College) accounting for most of the growth. Front Range Community College’s parking lot account for 30,000 square feet alone. Please see Table 2 for more detailed information on trends in project categories.

## Reporting Categories

The reporting categories are based on definitions of capital construction as provided in the instructions provided to institutions are as follows:

**Repair and Replacement** – All costs associated with corrective repairs or replacement of existing state-owned buildings and other physical facilities including, but not limited to, buildings, utilities, and site improvements. This includes repair work to existing structures, system components, utility services, and sites. Structure and system components include all work done to the foundation, structural system, and building enclosures and the various building systems (i.e., mechanical, electrical, plumbing, utilities, and technology systems infrastructure).

**Professional Services** – Purchase of services of architects, engineers and other consultants to prepare designs, plans, program documents, life-cycle cost studies, energy analyses schematics, construction development documents, bidding and contract administration, physical site surveys, legal limitation reviews, utility location surveys, investigations to determine soil conditions, hazardous materials, ground corrosion and code reviews and other studies associated with capital construction projects and to supervise construction or execution of such projects.

**New Facilities/Additions** – Construction costs for building a new structure or an addition on an existing property. An addition, as defined here, is a project that expands or extends a building and is physically linked to an existing fixed asset. An example of an addition is the construction of a new wing on an existing building.

**Infrastructure Improvements** – All costs associated with the installation or upgrade of utility systems, flood control systems, the improvement of energy systems, steam, or chilled water systems, or expansion of information technology systems. Utilities include sewer, water, gas, electricity, etc.

**Remodel/Renovate/Modernize** – Costs of extraordinary repairs, betterment or improvements to existing buildings that increase future benefits from an existing fixed asset beyond its previously assessed standard of performance or to meet new program needs. Increased future benefits typically include: an extension to an asset's estimated life, increase in the capability of an existing fixed asset or substantial improvement in the quality of an asset. All costs to improve building transportation costs should be included in this category. Transportation systems, as defined here, include elevators, stairways, and escalators internal to the building.

**Site Improvements** – All costs associated with site improvements, upgrades and/or replacements associated with a site. Site improvements include walks, roads, grading, landscaping, irrigation, area lighting, and parking lot resurfacing.

**Fixed Equipment** – Cost of items normally a part of construction including carpets, blinds, voice and data communication infrastructure, built-in cabinets, work stations and laboratory or shop equipment.

**Demolition** – All costs associated with the removal of an existing state-owned building.

**Leasehold Improvements** – All costs associated with improvements made to a rented/leased property including build-outs, new construction, etc.

**Instructional or Scientific** – Any instructional or scientific equipment item if the equipment cost will exceed \$50,000.

**Table 2**  
**Dollar Amounts and # of Projects by Category: FY2007-08 through FY2009-10**

| <b>Reporting Category</b>             | <b>FY2007-08</b>               | <b>FY2008-09</b>               | <b>FY2009-10</b>               |
|---------------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Demolition                            | \$0<br>(0 projects)            | \$189,812<br>(4 projects)      | \$0<br>(0 projects)            |
| Fixed Equipment                       | \$1,037,877<br>(19 projects)   | \$1,227,297<br>(14 projects)   | \$2,254,218<br>(22 projects)   |
| Infrastructure Improvements           | \$4,969,058<br>(61 projects)   | \$4,731,392<br>(61 projects)   | \$8,944,713<br>(72 projects)   |
| Instructional or Scientific Equipment | \$6,346,307<br>(36 projects)   | \$171,400<br>(2 project)       | \$5,728,150<br>(46 projects)   |
| Leasehold Improvements                | \$122,209<br>(4 projects)      | \$1,789,474<br>(14 projects)   | \$2,882,547<br>(32 projects)   |
| New Facilities/Additions              | \$607,968<br>(6 projects)      | \$5,971,340<br>(9 projects)    | \$7,592,108<br>(21 projects)   |
| Professional Services                 | \$965,451<br>(30 projects)     | \$1,705,733<br>(42 projects)   | \$2,995,345<br>(46 projects)   |
| Remodel/Renovate/Modernize            | \$19,162,041<br>(240 projects) | \$37,646,265<br>(455 projects) | \$37,470,666<br>(462 projects) |
| Repair and Replacement                | \$10,468,429<br>(197 records)  | \$15,704,501<br>(296 projects) | \$13,749,250<br>(189 projects) |
| Site Improvements                     | \$2,749,682<br>(30 records)    | \$4,533,855<br>(41 projects)   | \$7,102,078<br>(65 projects)   |

Fixed equipment and Instruction equipment projects and costs continue to account a low percentage of the total number and cost of projects while Remodel/Renovate/Modernize and Repair and Replacement projects continue to account for over half of projects in terms of number and cost. One example of a Remodel/Renovate/Modernize project is Physics Lab Remodel at Otero Junior College, a project that cost over \$122,000 of federal funds.

## Project Expenditures

**Table 3**  
**Total Cost Comparison by Institution: Five Year History**

| Institution  | Total Costs         |                     |                     |                     |                     |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
|  | FY2005-06           | FY2006-07           | FY2007-08           | FY2008-09           | FY2009-10           |
| Adams State College                                | \$238,823           | \$268,270           | \$1,287,417         | \$1,915,414         | \$289,500           |
| Arapahoe Community College                         | \$0                 | \$0                 | \$0                 | \$289,922           | \$497,635           |
| Auraria Higher Education Center                    | \$2,057,557         | \$1,954,732         | \$3,523,815         | \$343,142           | \$1,659,263         |
| Colorado Community College and Occupational Ed/Sys | \$0                 | \$32,000            | \$0                 | \$72,768            | \$213,123           |
| Colorado Northwestern Community College            | \$0                 | \$82,705            | \$1,148,040         | \$167,167           | \$1,825,283         |
| Colorado School of Mines                           | \$1,280,152         | \$1,637,541         | \$973,274           | \$1,203,843         | \$7,827,303         |
| Colorado State University                          | \$9,540,122         | \$4,221,889         | \$3,760,475         | \$22,100,417        | \$17,027,411        |
| Colorado State University-Pueblo                   | \$1,194,266         | \$2,495,179         | \$458,585           | \$1,366,543         | \$1,447,133         |
| Community College of Aurora                        | \$0                 | \$35,420            | \$0                 | \$606,328           | \$762,486           |
| Community College of Denver                        | \$0                 | \$0                 | \$0                 | \$37,963            | \$1,234,629         |
| Fort Lewis College                                 | \$714,892           | \$718,582           | \$1,587,356         | \$2,043,441         | \$1,757,454         |
| Front Range Community College                      | \$1,143,409         | \$388,501           | \$372,743           | \$1,628,824         | \$479,436           |
| Lamar Community College                            | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 |
| Mesa State College                                 | \$1,900,001         | \$1,508,105         | \$2,348,118         | \$9,508,178         | \$9,158,664         |
| Metropolitan State College of Denver               | \$0                 | \$794,522           | \$0                 | \$2,163,939         | \$1,202,151         |
| Morgan Community College                           | \$0                 | \$16,950            | \$103,983           | \$89,918            | \$50,678            |
| Northeastern Junior College                        | \$139,729           | \$23,473            | \$179,030           | \$905,456           | \$364,278           |
| Otero Junior College                               | \$395,014           | \$953,625           | \$793,054           | \$255,400           | \$782,378           |
| Pike Peak Community College                        | \$236,961           | \$126,527           | \$619,190           | \$111,290           | \$746,067           |
| Pueblo Community College                           | \$625,988           | \$56,756            | \$114,465           | \$158,899           | \$2,480,843         |
| Red Rocks Community College                        | \$0                 | \$466,318           | \$96,397            | \$133,538           | \$801,244           |
| Trinidad State Junior College                      | \$0                 | \$0                 | \$0                 | \$0                 | \$2,881,435         |
| CU - Boulder                                       | \$4,104,896         | \$11,893,431        | \$12,072,545        | \$20,516,817        | \$11,620,788        |
| CU - Colorado Springs                              | \$131,654           | \$1,005,980         | \$602,893           | \$1,196,120         | \$3,404,011         |
| CU - Denver  | \$7,844,172         | \$5,838,300         | \$11,905,758        | \$1,693,936         | \$14,012,184        |
| University of Northern Colorado                    | \$3,580,851         | \$2,928,318         | \$4,001,970         | \$4,494,744         | \$4,004,354         |
| Western State College                              | \$503,542           | \$461,133           | \$479,913           | \$667,061           | \$2,189,345         |
| <b>TOTALS</b>                                      | <b>\$35,632,029</b> | <b>\$37,908,257</b> | <b>\$46,429,022</b> | <b>\$73,671,069</b> | <b>\$88,719,075</b> |

In comparing total costs over a five year period from FY2005-06 through FY2009-10 by institution, several institutions have more than doubled their total expenditures over the five year period. Dollar amounts spent on small projects fluctuate greatly over time, but the general trend is that institutions spend increasing sums of money on their own maintenance. As the new Auraria Higher Education Center (AHEC) master plan that divides the campus into three neighborhoods managed by each institution and a common ground managed by AHEC comes into full effect it is expected that the Community College of Denver, the Metropolitan State College of Denver, and the University of Colorado Denver will spend increasing sums of money



directly on their own maintenance rather than having their contributions to AHEC spent on maintenance.

Institutions *without* small projects reported for FY2009-10 included:

- Lamar Community College

**Figure 1**  
**Percentage of Small Project Expenditures by Governing Board: Three Year Comparison**

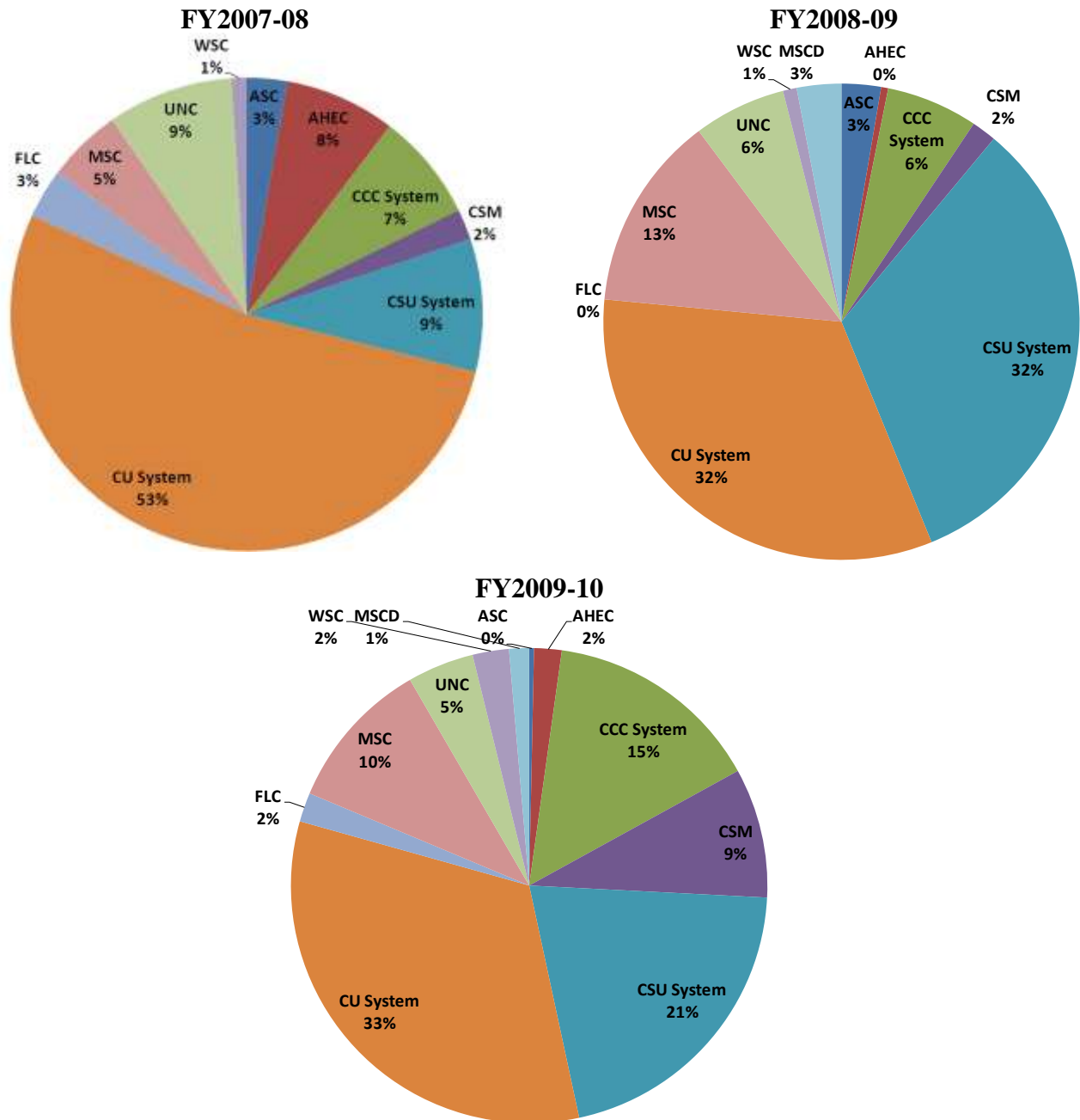


Figure 1 shows small project expenditures by Governing Board and percentage for a three year period including FY2007-08, FY2008-09, and FY2009-10. The chart shows that the CU and CSU systems consistently account for 50-60% of these expenditures. Given the size of the

system campuses, the amount of square footage that must be maintained and the cash funds available to them, the results shown in Figure 1 are to be expected.

The following expenditures have been excluded from the SB 01-209 reporting requirement since reporting began in 2001:

- Non-capital construction personnel costs, including personnel who perform janitorial, grounds keeping, or landscaping services;
- Education and General Funds that were expended for operation and maintenance of the plant and that were reported to the Office of the State Architect;
- Funds spent for capital outlays as defined in the head-notes of the Long Bill, SB 01-212. As defined in that bill, capital outlays are equipment, furniture, motor vehicles, software and other items having a useful life of one year or more and costing less than \$50,000; building alterations and replacement of plumbing, wiring, electrical fiber optic, heating and air conditioning systems costing less than \$15,000; construction of new buildings costing less than \$15,000; and land improvements—grading, landscaping, leveling, drainage, and irrigation, roads, fences, ditches, and sanitary storm sewers—costing less than \$5,000.)

### State vs. Cash Resources

Table 4 presents a comparison of state provided Controlled Maintenance funds to institutional cash funded maintenance funds for the past four fiscal years. Specifically, the institutional funds included are those that are considered similar to the areas of maintenance covered by Controlled Maintenance. These four categories are: Infrastructure Improvements; Repair and Replacement; Remodel/Renovate/Modernize; and Site Improvements. The fund totals for Controlled Maintenance are taken from the annual Long Bill and supplementals and represent final dollar amounts after the deappropriations during the current budgetary shortfall.

In contrast to the state funding picture, institutions of higher education are allocating increasing funds on an annual basis for their own capital needs. The table below presents a comparison of state provided Controlled Maintenance funds to institutional cash funded maintenance funds for the past four fiscal years (rounded to nearest hundred thousand).

**Table 4  
Maintenance Funding Comparison: Four Year History**

| <b>Funding Source</b>           | <b><i>FY2006-07</i></b> | <b><i>FY2007-08</i></b> | <b><i>FY2008-09</i></b> | <b><i>FY2009-10</i></b> |
|---------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Institutional Maintenance Funds | \$29,100,000            | \$37,300,000            | \$62,600,000            | \$67,300,000            |
| Controlled Maintenance Funds    | \$11,800,000            | \$20,400,000            | \$9,400,000             | \$12,000,000            |

As Table 4 shows, institutions of higher education have received substantial sums of money from the state for the purposes of Controlled Maintenance over the past four fiscal years. However, the institutions have consistently provided significantly more cash funds for maintenance than they have received from the state.

As the current economic downturn continues to delay capital construction and controlled maintenance, expectations are high that a significant backlog of large and small capital projects will develop. The anticipated result is that a majority of the burden will continue to be placed on the institutions to continue to fund these projects through cash sources such as student fees, cash reserves, private donations, and through bonds funded by tuition revenue.

A detailed listing of each 209 project is included in Appendix A

## **Part II: 290 Major Projects**

### **Introduction**

This report is submitted as required by C.R.S 23-1-106(11) and is a compilation of institutional reports submitted to DHE. It tracks capital expenditures for projects listed on the annual *Two-Year Cash Funded Capital Program List* under C.R.S. 23-1-106 subsections 9 and 10.

December 2010 is the first year in which a report for projects approved under SB09-290 is due, and comes less than one year after full implementation of the statute. Therefore there is no possibility of historical trend analysis, and it is expected that Part II of this report will expand over time.

Prior to the FY2010-11 budget cycle, Governing Boards were required to submit a single unified five-year plan for capital construction projects. This five-year plan included state funded requests and cash funded proposals. With the passage of SB09-290, institutions of higher education were granted considerable flexibility in the area of capital construction. This legislation also revised the submission criteria for the five-year list by dividing it into two distinct lists:

- *Five-Year State Funded Capital Program List* – Contains current and anticipated requests that involve state funds
- *Two-Year Cash Funded Capital Program List* – Contains all 100% cash funded projects that a Governing Board/Institution intends to commence within a two year time period

Governing Boards are permitted to amend their two-year lists at any point during the fiscal year, and such amendments are to be submitted to the Commission and the Capital Development Committee (CDC) for re-approval.

DHE and CDC staff have come to a mutual understanding and agreement on the implementation of SB09-290 that no Cash Funded project may commence until it has received the following: approval from the Commission and the CDC on the Two-Year list (for non-Intercept projects); or Commission and CDC approval on the Two-Year Cash Funded Program list and Commission review and approval of a program plan (for Intercept projects).

### **Two-Year Lists and Amendments**

It has been the interpretation of DHE and CDC staff that the Two-Year Lists serve as rolling annual lists where they are reapproved every year with projects remaining on the lists until such time as a project commences. With the inaugural adoption of Two-Year Lists occurring in December 2009, the annual review and renewal of lists has taken on a December-to-December timeframe.

During the December 2009 Commission meeting, the Commission approved the Two-Year Cash Funded Capital Program lists for all Governing Boards, except for the list submitted by the UCCS (which was approved at the February 2010 Commission meeting). On December 2<sup>nd</sup> and 3<sup>rd</sup> the legislature's Capital Development Committee approved the submissions during scheduled hearings.

Governing Boards and Institutions have amended their Two-Year Lists under the terms outlined in statute and the processes agreed upon in a Memorandum of Understanding between the Department and the Capital Development Committee in December 2009. Table 5, shown below, displays the dates of Commission approval for the Two-Year Cash Funded Capital Program Lists and their subsequent amendments.

**Table 5**  
**Two-Year Cash Funded Capital Program Lists Original and Amendment Dates**

|              | Two-Year List |                           |                           |                           |
|--------------|---------------|---------------------------|---------------------------|---------------------------|
|              | Original      | 1 <sup>st</sup> Amendment | 2 <sup>nd</sup> Amendment | 3 <sup>rd</sup> Amendment |
| <b>ASC</b>   | December 2009 |                           |                           |                           |
| <b>CCCS</b>  | December 2009 | March 2010                | September 2010            | November 2010             |
| <b>CSM</b>   | December 2009 |                           |                           |                           |
| <b>CSU</b>   | December 2009 | May 2010                  |                           |                           |
| <b>CSU-P</b> | December 2009 |                           |                           |                           |
| <b>FLC</b>   | December 2009 |                           |                           |                           |
| <b>MSC</b>   | December 2009 | March 2010                |                           |                           |
| <b>MSCD</b>  | December 2009 |                           |                           |                           |
| <b>UCB</b>   | December 2009 | September 2010            |                           |                           |
| <b>UCCS</b>  | February 2010 |                           |                           |                           |
| <b>UCD</b>   | December 2009 | March 2010                | September 2010            |                           |
| <b>UNC</b>   | December 2009 |                           |                           |                           |
| <b>WSC</b>   | December 2009 | June 2010                 |                           |                           |
|              |               |                           |                           |                           |

The Commission is scheduled to take action on new Two-Year Lists for all Governing Boards and Institutions during the regularly scheduled December 2010 meeting.

## Types of Projects

Statutory revisions during the 2009 legislative session resulted in four distinct types of projects that qualify for reporting in this category:

- **Intercept Academic** - Projects constructed or acquired solely with cash funds that are subject, in whole or in part, to the Higher Education Intercept Program (SB08-245), that are maintained out of state funds, cash funds or a combination of both, and are academic in nature. These projects are eligible for future Controlled Maintenance funding.
- **Intercept Auxiliary** - Projects constructed or acquired solely with cash funds that are subject, in whole or in part, to the Higher Education Intercept Program (SB08-245), that are maintained out of cash funds, and are auxiliary in nature. These projects are ineligible for future Controlled Maintenance funding.
- **Non-Intercept Academic** - Projects constructed or acquired solely with cash funds that are not subject to the Higher Education Intercept Program (SB08-245), that are operated and maintained with state funds, cash funds or a combination of both, and are academic in nature. These projects remain eligible for future Controlled Maintenance funding.
- **Non-Intercept Auxiliary** - Projects constructed or acquired solely with cash funds that are not subject to the Higher Education Intercept Program (SB08-245), that are

constructed, operated, and maintained out of cash funds only, and are auxiliary in nature. These projects are not eligible for future Controlled Maintenance funding.

## Projects

From December 2009 through November 2010, institutions of higher education listed 70 cash funded projects on the Two-Year List for FY2009-10 and FY2010-11. For these projects Table 6 displays the breakdown between the academic and auxiliary nature of the project and whether or not the project will be financed under the Higher Education Revenue Bond Intercept Program (C.R.S. 23-5-139). The Intercept program permits schools to issue bonds for capital construction and use either the state's credit rating (opt in), or use their own credit rating (opt out). Academic facilities are those that are considered core to the role and mission of the institution (e.g. classrooms, student services, libraries), while auxiliary facilities are those that are not considered core to the role and mission and exist for some other purpose (e.g. residence halls, recreation centers, parking facilities).

**Table 6:  
Cash Funded Projects Approved on Two-Year Lists**

|                      | <b>Academic</b> | <b>Auxiliary</b> | <b>Total</b> |
|----------------------|-----------------|------------------|--------------|
| <b>Intercept</b>     | 10              | 11               | <b>21</b>    |
| <b>Non-Intercept</b> | 37              | 12               | <b>49</b>    |
| <b>Total</b>         | <b>47</b>       | <b>23</b>        | <b>70</b>    |

Of the 70 projects approved on Two-Year Lists, institutions of higher education reported in September 2010 that 27 of them had commenced. The breakdown of these projects by nature of project and funding approach is presented in Table 7. A complete listing of the projects can be found in Appendix B.

**Table 7:  
Cash Funded Projects Commenced**

|                      | <b>Academic</b> | <b>Auxiliary</b> | <b>Total</b> |
|----------------------|-----------------|------------------|--------------|
| <b>Intercept</b>     | 6               | 6                | <b>12</b>    |
| <b>Non-Intercept</b> | 6               | 9                | <b>15</b>    |
| <b>Total</b>         | <b>12</b>       | <b>15</b>        | <b>27</b>    |

Of the 27 commenced projects, there are three different types of projects that could be: New Construction; Renovation; or Renovation & Expansion. The breakdown of these projects by type is presented in Table 8.

**Table 8:  
Cash Funded Projects Commenced**

|                                   | <b>Total</b> |
|-----------------------------------|--------------|
| <b>New Construction</b>           | <b>14</b>    |
| <b>Renovation</b>                 | <b>6</b>     |
| <b>Renovation &amp; Expansion</b> | <b>7</b>     |
| <b>Total</b>                      | <b>27</b>    |