



**COLORADO**

**Department of  
Higher Education**

**HIGHER EDUCATION  
CASH FUNDED CAPITAL PROJECTS  
REPORT  
FY 2019-20**

NOVEMBER 25, 2020

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DR. ANGIE PACCIONE EXECUTIVE DIRECTOR



**COLORADO**  
Department of  
Higher Education

1600 Broadway, Suite 2200  
Denver, CO 80202

Jared Polis  
Governor

Dr. Angie Paccione  
Executive Director

Dear Honorable Senator Fields and Capital Development Committee Members:

Enclosed is the Department of Higher Education's (DHE) report on cash funded projects for FY 2019-20. 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 for which an expenditure was made in the previous fiscal year. These submissions are compiled into the enclosed report and delivered to the General Assembly's Capital Development Committee (CDC) by December 1<sup>st</sup> as required by C.R.S 23-1-106(11)(b).

This year's report is different than previous years in that it captures actual cash expenditures on all 100% cash funded capital projects. In prior years, whether a project was included or not depended on when it commenced and closed out. This was creating confusion amongst institutions, and inconsistencies in reporting. Further, the new way of reporting this year will better capture what institutions are spending year to year. DHE Staff, institutions, and CDC Staff collaborated on this new format. Please note that future reports will report on trends in expenditures, but this year's report will focus only on FY 2019-20, given this is the first year using the new methodology.

The ten Governing Boards and the Auraria Higher Education Center are required to submit these reports (Adams State University, Colorado Mesa University, Colorado School of Mines, Fort Lewis College, Metropolitan State University of Denver, University of Northern Colorado, Western Colorado University, the Colorado Community College System, the Colorado State University System, and the University of Colorado System).

Please do not hesitate to contact me if you have any questions or concerns.

Sincerely,

Lauren Gilliland  
Lead Finance Analyst  
Colorado Department of Higher Education

Colorado institutions of higher education spent \$434.4 million on 100% cash funded capital projects in FY 2019-20. A breakdown by institution is provided in Table 1. Forty-eight percent of all spending is attributable to the University of Colorado System, and an additional 20% is attributable to Colorado State University System. Adams State University did not report any capital cash expenditures in FY 2019-20.

**Table 1: FY 2019-20 Cash Expenditures by Institution**

Institution	FY 2019-20 Cash Expenditures	% of Total of FY 2019-20 Cash Expenditures
Western Colorado University	\$ 2,792,453	0.6%
University of Northern Colorado	3,439,877	0.8%
Fort Lewis College	4,035,754	0.9%
Metroplitan State University of Denver	8,110,766	1.9%
Colorado Community College System	22,888,817	5.3%
Colorado Mesa University	37,455,280	8.6%
Colorado School of Mines	58,580,519	13.5%
Colorado State University	87,421,017	20.1%
University of Colorado	209,694,181	48.3%
<b>Grand Total</b>	<b>\$ 434,418,664</b>	

A breakdown of reported projects by project type can be found in Table 2. New construction comprised 42% of all FY 2019-20 institution expenditures. Together, capital renewal and projects that are exclusively renovation make up another 28% of expenditures, representing just over half of all projects recorded. Projects that are a combination of renovation and expansion total 24%. Controlled maintenance projects tend have much smaller budgets, so while they represent 29% of the reported projects, they only totaled 5% of total expenditures. Acquisitions made up the smallest portion of spending at 1%.

**Table 2: FY 2019-20 Cash Expenditures and Number of Projects by Project Type**

Project Type	FY 2019-20 Cash Expenditures	% of FY 2019-20 Cash Expenditures	FY 2019-20 Projects	% of FY 2019-20 Projects
Acquisition	\$ 4,860,243	1%	79	9%
Renewal	8,351,360	2%	8	1%
Controlled Maintenance	20,274,714	5%	261	29%
Renovation and Expansion	104,384,192	24%	22	2%
Renovation Only	112,384,084	26%	461	51%
New Construction	184,164,072	42%	71	8%
<b>Grand Total</b>	<b>\$ 434,418,664</b>		<b>902</b>	

Table 3 breaks down reported projects and expenditures by whether they are related to buildings classified as academic or auxiliary. Facilities are classified as academic if they are central to the role and mission of the institutions. They are classified as auxiliary if they are funded by an auxiliary source such as housing or parking revenue, or any facility that has historically been managed as an auxiliary facility. About two-thirds of FY 2019-20 cash expenditures, or 72% of all projects, were related to academic facilities. The remainder are related to auxiliary facilities.

**Table 3: FY 2019-20 Cash Expenditures and Number of Projects by Academic / Auxiliary Classification**

Academic / Auxiliary Classification	FY 2019-20 Cash Expenditures	% of FY 2019-20 Cash Expenditures	FY 2019-20 Projects	% of FY 2019-20 Projects
Academic	\$ 292,853,277	67%	648	72%
Auxiliary	141,565,387	33%	254	28%
<b>Grand Total</b>	<b>\$ 434,418,664</b>		<b>902</b>	

As shown in Table 4, of the 902 cash funded projects institutions made expenditures for in FY 2019-20, a little under half were completed within the fiscal year. A little over half were not completed, though these projects accounted for 88% of total expenditures since more expensive projects also tend to be longer.

**Table 4: FY 2019-20 Cash Expenditures and Number of Projects by Project Status**

Project Status	FY 2019-20 Cash Expenditures	% of FY 2019-20 Cash Expenditures	FY 2019-20 Projects	% of FY 2019-20 Projects
Not Completed	\$ 382,141,905	88%	474	53%
Completed in FY 2019-20	52,276,759	12%	428	47%
<b>Grand Total</b>	<b>\$ 434,418,664</b>		<b>902</b>	

Table 5 summarizes projects reported on that utilized the higher education revenue bond intercept program. Established in C.R.S. 23-5-139, the intercept program allows qualifying institutions to use the state's credit rating when financing capital projects. This enables institutions to obtain better rates when the state's rating is better than the institutions. Statute establishes limits for the amount any given institution can borrow using the intercept program. In FY 2019-20, only two institutions made expenditures on project utilizing the intercept program. Colorado Mesa University reported \$10.8 million in expenditures on three projects financed under intercept, and Colorado State University reported \$23.1 million in expenditures on four projects.

**Table 5: FY 2019-20 Intercept Cash Expenditures and Number of Projects by Institution**

Institution	FY 2019-20 Cash Expenditures	FY 2019-20 Projects
Colorado Mesa University	\$ 10,790,267	3
Colorado State University	23,075,572	4
<b>Grand Total</b>	<b>\$ 33,865,839</b>	<b>7</b>