
COLORADO DEPARTMENT OF
 **HIGHER
EDUCATION**

ACCESS TO HIGH-QUALITY, AFFORDABLE EDUCATION FOR ALL COLORADANS

**INSTRUCTION MANUAL FOR
HIGHER EDUCATION FACILITIES,
PROGRAM PLANNING AND BUDGETING**

FISCAL YEAR 2014-15

ISSUED BY THE
COLORADO DEPARTMENT OF HIGHER EDUCATION
WITH THE
OFFICE OF STATE PLANNING AND BUDGETING
Revised MAY 29, 2013

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STATE OF COLORADO



DEPARTMENT OF HIGHER EDUCATION

John Hickenlooper
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Executive Director

MEMORANDUM

TO: Higher Education Capital Construction Advisory Committee (CCAC)
Higher Education CFOs
Higher Education Facility Planners

FROM: Tonya Gomez, Director of Capital Assets and Compliance

DATE: May 29, 2013

SUBJECT: Capital Construction Budget Requests for Fiscal Year 2014-15

Attached is the Department of Higher Education (DHE or Department) "Instruction Manual for Higher Education Facilities, Program Planning and Budgeting for FY 2014-15." Please review the manual and the deadlines set forth in the schedule. The manual, deadlines and forms have been updated to comply with changes to statute and OSPB instructions. A summary of recent changes follows but specific questions should be directed to DHE and CDC staff.

The Office of the State Architect with collaboration from OSPB, DHE and CDC, developed revised guidelines for controlled maintenance. The revisions clarify that all state higher education academic facilities, regardless of funding source or construction date, are eligible for future state controlled maintenance funding. If an auxiliary facility is repurposed for academic use it too will be eligible for state controlled maintenance funding. The revised guidelines were approved by the CDC in May 2013.

OSPB will be introducing a new form for FY 2014-15 – the Life Cycle Costs (LCC) form. It will require identification of feasible alternatives, the initial costs of these alternatives, the cost of energy consumed, replacement costs, and the cost of operation and maintenance of the facility. These forms will be released by OSPB at a later date for FY 2014-15.

OSPB has updated Capital Construction Instructions and Capital Construction templates for the FY 2014-15 submission. In addition, OSPB has changed the criteria for capital construction prioritization for FY 2014-15 as can be seen in OSPB Executive Branch Capital Construction Instructions attached as Appendix "I". These changes have been incorporated into DHE's Manual.

The chart below illustrates DHE's interpretation of the current program and funding structure of Capital Construction for Higher Education.

Higher Education Capital Construction

Cash Funds

State Funds

**“209 projects”
< \$2.0 million**

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)

**Cash projects
> \$2.0 million**

“Capital Construction”

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)

“Controlled Maintenance”

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”**

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)

**“Non-Intercept Auxiliary cash
projects”**

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)

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

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)

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

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)

For FY 2014-15, DHE discourages governing boards from expending funds to create or update new program plans for previously submitted state funded requests, unless the underlying presumptions of the plans have changed significantly. Governing boards and institution staff should continue to use their best judgment in determining when to update obsolete program plans.

The Commission will prioritize all approved projects submitted pursuant to the attached Instruction Manual for state funds. The Commission's priority list will be submitted directly to the CDC for consideration along with the Governor's statewide priority list. OSPB has indicated it will give preference to requests that meet the criteria listed on page 8 of the OSPB guidance (Appendix "I"). As per OSPB guidance (page 7), DHE's submission to OSPB has been limited to the top 20 CCHE prioritized projects.

Finally, in the 2012 legislative session, transfers outlined in SB09-228, Concerning an Increase in the Flexibility of the General Assembly to Determine the Appropriate Use of State Revenues, were delayed by one year. SB12-168 pushed out the initial transfer of an estimated \$40.4 million for capital construction to FY2014-15 and is scheduled to continue until FY 2018-19.

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The following Budget Forms are not in this manual. They were sent via email and are available on the DHE capital assets webpage (<http://highered.colorado.gov/Finance/Capital/>):

- CC-C: Capital Construction Building Project Request FY 2014-15
Project Costs and Approval Cover Sheet
Support Information Form
- CC-C2: Non-Intercept Cash funded Capital Construction Project Information Form
- CC-IT: Capital Construction Technology Project Request FY 2014-15
Project Costs and Approval Cover Sheet
Support Information Form
- CC-P: Five-Year Capital Construction Plan FY 2014-15-FY 2018-19
- CC-LCF: Two-Year Cash Funded Capital Construction Plan
- CC-B: Supplemental Capital Construction Request FY 2013-14
- CM-03 SBREP Capital Renewal Building/Infrastructure Request
LEED Checklist

If you did not receive the above forms, please contact Tonya Gomez at Tonya.Gomez@dhe.state.co.us or 303-866-2749. All forms will be made available at the following web address: <http://highered.colorado.gov/Finance/Capital/>

Introduction

The Department of Higher Education (DHE) is charged, by statute (C.R.S. 23-1-106), to establish standards and procedures for higher education institutional submissions of capital construction program plans, to make budget recommendations on institutional capital construction requests, and to review and approve institutional capital construction program plans and facility master plans that are consistent with the role and mission of each institution (see Appendix A for statute). With the concurrent approval of the Office of State Planning and Budgeting (OSPB), and the staffs of the legislative Capital Development Committee (CDC) and the Joint Budget Committee (JBC), DHE, annually issues an instruction manual for higher education capital projects.

This manual discusses DHE budgeting and planning processes for state and cash funded capital and information technology projects for state-supported higher education institutions. It includes a list of deadlines for the FY 2014-15 budget year, the processes DHE follows in reviewing various budget documents and capital construction projects, guidelines for submission criteria for state-funded capital construction requests, the DHE prioritization policy for ranking state-funded projects, and instructions for completing the various applicable budget forms. These forms are available on the Department's website at <http://highered.colorado.gov/Finance/Capital/>.

Capital Construction Schedule for 2014-15 Requests

*Please submit all budget forms in Word or Excel form, not in a PDF document.

Governing Boards and Institutions:	Due Dates
Forward Five-Year Capital Construction Plan (FY14-15 through FY18-19) to DHE (Submit 1 electronic copy) <ul style="list-style-type: none"> • CC-P form Forward Governing Board Priorities for all major state-funded capital construction projects to DHE (Submit 1 electronic copy).	July 24, 2013
Forward FY13-14 FINAL Capital Construction Project Requests to DHE (Submit 1 electronic copy of budget documents; 1 paper copy of each facility program plan); CM-03 (Capital Renewal requests) should also be submitted DHE at this time. <ul style="list-style-type: none"> • CC-C and CC-IT forms & Support Information • Facility Program Plans • OSA CM-03 (for capital renewal) 	July 24, 2013
Forward Two-Year Capital Construction List of Cash Funded Projects (FY 2013-14 through FY 14-15) and project documentation for projects to be approved to DHE (Submit one electronic copy) <ul style="list-style-type: none"> • CC-LCF Form • CC-C2 Form (for non-Intercept Projects) • CC-C form & Support Information (for Intercept Projects) 	August 2, 2013
Forward list (on 209/290 forms) of cash-funded capital projects – SB01-209 projects – (projects costing \$2 million or less and not subject to C.R.S. 23-1-106 (9) or (10)) to DHE. SB09-290 projects – (projects costing \$2 million or more and subject to C.R.S. 23-1-106 (9) or (10)) that have commenced.	September 6, 2013
Forward Board-approved Five-Year Controlled Maintenance Plan and Status Reports on Controlled Maintenance and Capital Construction Projects to the Office of the State Architect.	September 3, 2013
Submit Controlled Maintenance Requests to Office of the State Architect	September 3, 2013
Forward supplemental appropriation requests for FY 13-14 or prior years to DHE (Submit 1 electronic copy). <ul style="list-style-type: none"> • CC-B form 	September 16, 2013
DHE Schedule: <ul style="list-style-type: none"> • 	
Consult with institutions in preparation of FY14-15 requests, Five-Year Capital Construction plans.	Through late-July
Coordinate state-level reviews of institution requests	July to August
CCHE Subcommittee on Capital Assets meets with CCAC members & others to finalize recommendations to Commission on the DHE priority list of state-funded capital projects.	August 2013
Submit prioritized list and proposals for state funded capital construction budget requests to Office of State Planning and Budgeting (OSPB). (This does not affect CCHE submitted priority list.)	Early September 2013
Prepare CCHE capital budget priorities, 5-year capital construction program for October Commission agenda	September 2013

Forward list of 100% cash funded projects (CC-LCF) and proposals to Capital Development Committee (CDC), Joint Budget Committee (JBC), and the Office of State Planning and Budgeting (OSPB)	September 1, 2013
Forward list and proposals for state funded capital construction budget requests to Capital Development Committee (CDC) staff.	September 1, 2013
Coordinate state-wide prioritization list with OSPB	October 2013
Submit supplemental appropriation requests to OSPB	November 1, 2013
Submit Capital Renewal requests (CM-03) to the Office of the State Architect	November 1, 2013
Submit Commission prioritized list to CDC, JBC & OSPB.	November 1, 2013

CCHE Prioritization of State-Funded Projects

The Colorado Commission on Higher Education (Commission) annually prioritizes **ALL** state-funded (Capital Construction Funds or CCF) capital construction project requests prior to submission to the General Assembly. Projects costing less than \$2 million CCF that are granted a waiver from the program planning requirements are prioritized alongside projects with costs exceeding \$2 million. The Department does not prioritize cash-funded projects. Instead, it reviews a two year list of projected cash projects and/or individual program plans for cash-funded projects with costs exceeding \$2 million and recommends them for cash spending authority to the General Assembly.

The Department neither reviews nor prioritizes Controlled Maintenance requests. Institutions submit these requests to the Office of the State Architect within the Department of Personnel and Administration.

Prioritized state-funded projects must have approved program plans that are consistent with all statutory requirements, the statutory role and mission, the campus facilities master plan, and approved space and utilization standards, where applicable. In prioritizing a project, financial feasibility and conformance with established planning guidelines may be considered. For all projects requesting FY 14-15 funds, the criteria listed in the “State Funded Projects” section on page nine (9) must be met prior to submission to DHE for prioritization.

For FY14-15, the prioritization list will be reviewed and approved by the Commission’s Sub-Committee on Capital Assets prior to submission to OSPB in September, 2013 and the General Assembly in November, 2013.

Capital Construction Projects

General

Program plans are required for most public higher education capital construction projects. Only four types of capital construction projects do **NOT** need program plans. These are:

- Capital construction projects or acquisitions costing less than \$2 million in state funds for which requests for exemptions from the requirements of program and physical planning must be submitted to DHE (See the section on program plan waivers below).
- Capital construction projects or acquisitions costing \$2 million or less and constructed, operated and maintained with cash or federal funds and capital projects costing \$2 million or less and constructed with cash funds but operated and maintained with either cash, general funds or a combination of both are called SB01-209 projects. These projects are simply reported to DHE by September 1 of each year for the previous fiscal year (See the section on SB01-209 projects below.)
- Capital construction projects or acquisitions costing \$2 million or more and constructed with cash funds not subject to the Higher Education Intercept Act (SB08-245) (See the section on Non-Intercept projects below).

- Capital Renewal projects for which the Office of the State Architect CM-03 form, and possibly a feasibility study, may be required in lieu of a formal program plan. The Office of the State Architect now also requires the submission of the CC-C (See the section on Capital Renewal projects below).

All other new capital requests require program plans. Program plans must follow applicable policy in DHE Policy Section III, Part E – Facilities Program Planning (<http://higherred.colorado.gov/Publications/Policies/#ca>) and the Facility Program Planning Guidelines for Higher Education Capital Construction Projects (<http://higherred.colorado.gov/Finance/Capital/guidelines/fppg.pdf>).

DHE reviews the program plans for:

- Consistency with the institution’s role and mission, academic, facility, and technology master plans; and state higher education policy;
- Consistency of space utilization with DHE guidelines and campus physical master plan space allocations;
- Appropriateness of source of funds, cost estimate methods, financing implications, impact on operations and maintenance at projected enrollment increments.

Each program plan should:

- Receive the approval of the institution’s governing board within 30 days of submission to DHE; the governing board should send to DHE a letter stating the date and vote of the approval. The governing boards should affirm that the program plan:
 - Conforms with the institution master plan as well as the academic plan;
 - Benefits the educational program housed in the facility;
 - Includes operating and capital costs that are appropriate to the educational program and to the source and method of financing; and
 - Is included in the institutional five-year capital construction program schedule.
- Include a third-party independent review (one performed by an engineer, architect, or information technology expert who is not an employee of the institution) that covers:
 - Compliance with applicable codes;
 - Completeness and accuracy of the project cost estimate;
 - Appropriateness and thoroughness of the methodology used for cost estimating (Means or Dodge published cost data, historical costs from previous projects, cost estimating consultant, in-house cost estimating, etc.); and
 - Validity of the alternative chosen.

Program plans submitted to DHE previously that were not funded for FY113-14 and are over three years old will not be considered for FY14-15 unless the governing board certifies that:

- The plan’s space use assumptions have not changed, incorporating information on completed new construction and renovation since the original submission;

- The plan’s education and enrollment assumptions remain valid, reflecting any changes from the previous year in enrollment and degree or program offerings;
- The capital costs remain valid and that any unusual construction issues resulting from the delay have been addressed; and
- Any new code requirements will be met and that cost estimates are appropriately adjusted to reflect any changes.

The certification should demonstrate the validity of the information above and the Department may request additional information as needed to confirm that these program assumptions remain valid. The governing board must indicate in its priority statements that such unimplemented program plans either retain their previous prioritization or have been reprioritized. In addition, a “Three-Year Program Plan Waiver” form (<http://higher.ed.colorado.gov/Finance/Capital/>) should be submitted along with the governing board certification.

Funded, DHE-approved program plans for which state capital construction money has been appropriated must meet three state fiscal rules. Projects that are 100% cash funded are not appropriated and not subject to these rules.

- **The six month rule**, states that all major professional services (i.e. architect and engineering services) must be encumbered within six months from the time the Long Bill becomes law. Projects that are 100% cash-funded are exempt from the six month encumbrance rule. For those projects not requiring professional services, the entire amount of the project must be encumbered within six months. (See Appendix E for more information);
- **The one-year rule**, which states that all projects must be initiated within one year from the appropriation as demonstrated when expenses for the project have been incurred.
- **The three-year rule**, states that agencies have three years to completely encumber their project funds from the time the Long Bill becomes law. The three-year time limit starts over each time the institution receives new appropriations for the same project. The three-year rule can only be modified by General Assembly action in an appropriations bill, and therefore requires a budget action submitted through OSPB.

More details on the types of capital construction projects follow, with information on how DHE reviews them:

Program Plan Waivers

Requests for exemptions from the statutory requirements of program and physical planning may be granted for projects costing **\$2 million or less in state money (CCF)** if sufficient information is presented. That information should include the name of the project; the program or department impacted by the project (campus wide if it benefits the entire campus); the assignable and gross square feet the project involves; the increase, if any, to operation and maintenance costs; and a project description, with site maps or other information included when applicable. The waiver request should include reference to the institutional master plan. The total scope of the project should be discussed if the waiver request is part of a phased project that will be completed in the future or if it complements or completes an earlier project. Institutions should not break a much larger capital construction program into smaller projects to avoid doing program plans. Program

plan waivers for projects requiring capital construction funds money are prioritized with all other state-funded projects (CCF). Institutions are not required to request a waiver from the program planning requirements for non-Intercept cash funded projects under \$2 million.

State Funded Projects

For FY14-15, Capital Construction Requests and FY13-14 Supplemental Capital Requests, there will continue to be limited state funding available. Also, DHE’s submission to OSPB is limited to the top 20 prioritized projects. Therefore, governing boards should use discretion in selecting projects to submit. A governing board wishing to make a “statement of need”, or attempting to “reserve a place” for projects should utilize the out-years provided on the CC-P form.

DHE will accept and review all FY13-14 proposals for state funded projects. DHE will give preference to requests which align with OSPB criteria for inclusion in the FY14-15 statewide priority list (see Appendix “I” and below). DHE and OSPB will also use these criteria to prioritize projects for submission to CDC and JBC. These criteria are for state funded capital construction requests only (Note: Capital Renewal projects will also follow these criteria but are submitted to DHE and the Office of the State Architect simultaneously). Criteria:

Evaluation Criteria	Capital Construction Prioritization FY 2014-15
General Fund, Capital Construction Fund, Federal Fund and Cash Fund Impact	Projects that are partially funded projects by cash funds and federal funds will receive greater priority
COP	Certificates of participation (COP) annual payments for existing projects
Significant Health, Life Safety, and Code Issues	Projects with clear and urgent life or safety implications
Continuation Project	Request is a continuation project appropriated in FY13-14
Cost Analysis	Life cycle cost analysis and reasonableness of costs
Other Fund Sources	Other fund sources include projects that are funded partly by non-state funds and non-student fee funds
Space Needs Analysis	Space needs analysis reflects how much space the institution or department has in its inventory, justification on how well the space needs are filled by the request, and how much space it needs based on the Master Plan, FTE projections, or Student enrollment projections
Clear Identification of Beneficiaries	The request must clearly identify the individuals that will be served and how they will be better served by the project requested
Phase-able Projects	Phases must be stand-alone projects
Achieves Goals	Integral to Achieving Statewide Policy Goals/Integral to Institutional Planning Goals
Program Plans	Projects will be review against the program plans for appropriateness, necessity, and sufficiency of the project with respect to institution programs, applicable state policies, plans, and standards

For a project to be considered a life or safety project, the project must predominately address facility deficiencies related to health, safety, and welfare of the occupants and be both “urgent” and “critical.” A project is considered “urgent” if the life or safety of a person would be compromised if the renovation or modification is not funded for FY 2014-15. A project is considered “critical” if the life or safety of the occupants is unavoidably compromised due to the unsafe conditions of an area or of an entire building.

A project may also be considered an approvable life or safety project if there will be an urgent and critical loss of use. These projects predominately address facility deficiencies related to non-compliance of codes, standards, and or accreditation requirements of a program. Critical loss-of-use projects would directly result in the inability of that program to function in the related area and or the funding necessary to sustain that program.

Requests for Controlled Maintenance are to be submitted directly to the Office of the State Architect who will propose projects to the Office of State Planning and Budgeting and DHE. The criteria for those projects are promulgated by the Office of the State Architect.

Projects for which capital construction funds (CCF or state-funds) funding is requested for all or part of the total costs in a given fiscal year are classified as state-funded, and are prioritized with all other state-funded projects. State-funded projects can be for anything defined as capital construction (see Appendix B). DHE reviews state funded requests according to the criteria listed above, and prioritizes them prior to forwarding them to the Office of State Planning and Budgeting, and then on to the General Assembly. The types of state-funded projects listed below have special requirements.

Information Technology Projects

Information technology program plans should follow the format in Appendix F of this manual. Staff reviews the program plans, and calls upon the expertise of the Office of Information and Technology (OIT) as necessary. OIT reviews the budget documents and pertinent sections of the program plans, and comment on the plans. Information technology projects also may be submitted for cash spending authority. Note that HB 12-1288 has expanded the definition of capital construction to include services provided by OIT and may increase the number of capital construction projects subject to CDC review and approval.

Capital Renewal Projects

This category of projects began for the FY02-03 budget submission, and is intended for large controlled maintenance projects (that is, projects that are maintenance-, not program-driven) costing \$2 million or more. Institutions should submit the OSA CM-03 and CC-C forms in lieu of a program plan simultaneously to DHE, and OSA. The OSA CM-03 form and CC-C forms should be accompanied by an explanation of how the project is maintenance-driven, not program-driven. DHE determines whether the projects are truly maintenance driven and arise from deterioration of a facility’s physical and functional condition and the inability to comply with current codes and energy conservation rather than from programmatic needs (If there is any

question on whether a specific project qualifies as a capital renewal project or is driven by program, institutions should consult with DHE and OSA staff). OSA then completes the review of the projects. If approved by both DHE and OSA, the project is forwarded to OSPB for review and possible inclusion in the state prioritization list. Capital renewal projects may also be submitted for cash spending authority.

Cash Funded Projects

For the purposes of review, projects that are to be undertaken solely with cash funds (CF), solely with federal funds (FF), or only cash funds and federal funds, are considered “100% cash funded.” These fund sources should be accurately reported on the CC-C forms as CF or FF, but will follow the same process.

SB09-290 changed the categorization of cash funded projects. There are now additional classifications of cash funded projects that have different standards for review. The initial distinction is whether the project costs will exceed \$2 million dollars. If costs do not exceed \$2 million then the project is classified as a SB01-209 project (“209 project”).

All cash funded projects exceeding \$2 million, whether reviewed by DHE or not, are to be reported in the annual Two-Year cash funded list (see section on CC-LCF below) and approved annually by the CDC. Projects that have commenced are not to be reported in the Two-Year list and instead reported on the new 290 report, which will again be released as a combination 209/290 report.

SB01-209 Projects

Cash funded capital projects costing less than \$2 million (SB92-202 Projects) that are not subject to review under C.R.S. 23-1-106 (9) or (10) and that are above the limit for capital outlay are categorized as SB01-209 projects. These projects must be for repair and replacement, professional services, new facilities/additions, infrastructure improvements, site improvements, fixed equipment, demolition, leasehold improvements, and the purchase of instructional or scientific equipment.

For these projects, no DHE review is required. Instead, institutions should report to DHE all such expenditures for small capital projects for the preceding fiscal year. The next report is due to DHE on September 6, 2013, and will cover FY 12-13 (July 1, 2012 through June 30, 2013). DHE will send the updated report forms to institutions by late July 2013; contact DHE at (303) 866-2749 for a copy of the updated form if you do not receive it. DHE compiles the SB 01-209 data into a report which is sent to the CDC by December 1 each year including information on projects approved pursuant to the SB09-290 legislation that are underway.

Non-Intercept Projects

Projects costing in excess of \$2 million that are to be constructed or acquired solely with cash funds that are not funded under to the Higher Education Intercept Program (SB08-245) are to be classified as “Non-Intercept” projects and are not subject to review by DHE, OSPB, CDC, or JBC. Institutions should submit to all such projects on the annual CC-LCF list in an unprioritized

list which will be prepared for the annual hearing before the CDC.

Within Non-Intercept projects there are two sub-categories based upon the source of funds and nature of the project described below:

Non-Intercept Academic Cash projects

Projects that are to be 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 operational funds, cash funds or a combination of both, and are academic in nature are considered “Non-Intercept Academic Cash projects”. These projects were previously considered “regular cash” or “1205” projects. These projects remain eligible for future Controlled Maintenance funding.

Non-Intercept Auxiliary Cash projects

Projects that are to be 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 are considered “Non-Intercept Auxiliary Cash projects”. These projects were previously considered “SB92-202” projects and constructed, operated, and maintained from auxiliary enterprise funds, student fees, research building revolving funds, or wholly endowed gifts and bequests, or a combination of such sources. These projects are not eligible for future Controlled Maintenance funding.

For non-intercept projects, no DHE review is required. Institutions are required to submit an annual CC-LCF list without prioritization.

Intercept Projects

Projects costing in excess of \$2 million that are to be constructed or acquired solely with cash funds that are subject, in whole or in part, to the Higher Education Intercept Program (SB08-245) are to be classified as “Intercept” projects and are subject to review by DHE and the CDC, but not by OSPB. Within Intercept projects there are two distinct sub-categories based upon the source of funds and nature of the project described below:

Intercept Academic Cash projects

Projects that are to be 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 operational funds, cash funds or a combination of both, and are academic in nature are considered “Intercept Academic Cash projects”. These projects were previously considered “regular cash” or “1205” projects. These projects remain **eligible** for future Controlled Maintenance funding.

Program plans are required for these projects. Besides being reviewed for the items outlined above, the program plan is examined to ensure that sufficient information is provided in the program plan to assure DHE that:

- Sufficient cash funds will be available to pay the capital project costs;
- The earmarked cash funds are appropriate sources considering the nature of the project; and;
- The project will not adversely affect the projected operating funds.

Cash-funded projects are referred to the Capital Development Committee and Joint Budget Committee, but due to HB08-1205, are not required to be included in the Long Bill. These projects can be submitted at anytime during the year, but institutions should aim for the August 2, 2013 deadline whenever feasible.

Intercept Auxiliary Cash projects

Projects that are to be 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 are considered “Intercept Auxiliary Cash projects”. These projects were previously considered “202” projects. These projects remain **ineligible** for future Controlled Maintenance funding.

These projects were formerly considered 202s and are ***constructed, operated, and maintained*** from cash sources and serve auxiliary functions. These projects are not eligible for state Controlled Maintenance funding in out years. Program plans are required for those projects estimated to cost more than \$2 million and can be submitted at any time during the year, but, if possible, should be submitted by August 2, 2013. The program plans are reviewed for the same items as discussed for the cash-funded projects, with the added requirement that DHE staff must be assured that funds will come from only allowable sources and that sufficient funds will be available to cover both construction and remodeling costs, as well as all operation and maintenance costs.

DHE Budget Documents and Instructions

The following describes the capital construction budget requests (CC-C and CC-IT forms) as well as the supplemental capital construction request (CC-B). Budget documents should be as complete as possible when submitted. Please submit an electronic copy of the budget request forms by the requested due date to Tonya.Gomez@dhe.state.co.us in either Word or Excel format. DHE will not accept PDF submissions, except for program plans.

The CC-C, the CC-IT, and the CC-B are the primary project request forms for all higher education individual projects, while the five-year state funded capital construction plan (CC-P form) and the two-year cash funded construction plan (CC-LCF form) show the relationship of the individual projects to past, current, and projected projects from the same institution and governing board. **DHE must review all budget documents from state-supported higher education institutions before referral to the OSPB when necessary, the CDC, and the JBC. All additions, deletions, or changes must be submitted to DHE who then reviews and, upon approval, submits these changes to the CDC, OSPB and the JBC.**

Life Cycle Costs (LCC) are the cost alternatives, over the economic life of a facility, including its initial cost, the cost of energy consumed, replacement costs, and the cost of operation and maintenance of the facility. The life cycle cost form (LCC-Form) will require identification of feasible alternatives and the cost of these alternatives, establish common assumptions and parameters, discount of future costs to present value, compute and compare LCCs for each alternative, and estimate of non-monetary savings or costs. **For the completion of a life cycle cost analysis, the LCC-Form will be distributed at a later date for FY 2014-15 capital construction requests.**

An individual project is one that can stand alone and may not necessarily require additional appropriations to complete. For example, a new state-funded building may require enough time in the design phase that it would be appropriate to request professional services appropriations in year one of the project and construction and equipment funding in subsequent years. In this case CC-C forms should be submitted in each year the project requests an appropriation. For projects requesting phased funding, each phase must be a distinct portion of work that can stand alone. Also, a four-phase addition to a building could be submitted as four individual projects if each addition could be completed separately as a stand-alone project. In this case, a CC-C form and program plan could be completed for each phase. For all cash-funded projects, institutions should request total project funding in year one if they are planning on bonding the full amount.

For capital renewal projects, CC-C forms are now required along with the CM-03 forms (obtained from the Office of the State Architect) and required accompanying documentation.

Capital Construction Budget Requests (CC-C, CC-IT)

Description of: CC-C, & CC-IT

The CC-C forms are for new buildings, building expansions or renovations, or related capital projects. Budget requests must be submitted for each year that an appropriation is requested.

Continuation projects and non-continuation projects both require annual submissions of the CC-C form. The budget documents for continuation projects (those that have received at least one previous appropriation through a signed bill) are checked for conformance with prior submissions of the requests. If a project was approved for architectural and engineering funds only, for example, funding beyond the architectural and engineering stage should be included on the new budget request forms as requiring additional approval. If an agency's cost estimate for a continuation project has changed since the previous year, the institution should defend the CC-C and support information forms to reflect the new numbers. All supporting information and background must be in the new CC-C. The CC-C form is the primary document that DHE, OSPB and the CDC use for evaluating projects.

The reviewing entities will review all budget estimates for appropriateness using industry standards and trends. Costs should be listed and justified in the program plan and the request.

Please fully complete the CC-C Excel and Word document as described on the forms. The *Project Title* refers to the name of the project that must be used throughout all documents submitted to DHE, OSPB and the Office of the State Architect. Do not use acronyms in the title.

Project Year should describe the year of the project in terms of how long it is seeking funding.

For example, if the project is seeking its first appropriation, this should indicate year 1. If the project received funding in a prior year and is seeking a second round of funding, this should indicate year 2.

The Priority Number is the agency's ranking of a state-funded project for which a CC-C form is submitted, and should be written to indicate how many projects the agency is prioritizing (i.e., 2 of 5).

Department Signature is the name and date of approval of the department's executive director or commissioner or the institution's president or his/her designee. Signing off for department approval means that the signer affirms the head of the department of institution has knowledge of the request, its dollar amount, and its purpose. It also affirms that the form is complete and the dollars and narrative are accurate. For requests from institutions of higher education, the Department of Higher Education approves and signs before approval by OSPB.

Name of Preparer is the name of the person preparing the form; include the email address. This should be the person whom is to be contacted by DHE or OSPB should there be questions about the form.

Sometimes CC-C forms are submitted to revise numbers for the same project. If the request is submitting a change to a form for that project already submitted to the CDC, then check yes for "Revision?" and include the date of the last submission to the CDC.

The Excel form shall include all costs associated with all phases of the capital construction project. If the project will require additional funds to complete in subsequent years, list those funds required for the following five years.

The Prior Year Appropriation is only completed if funding for this project appeared in a previous Long Bill, supplemental bill, or separate appropriation bill. Otherwise it should reflect zero. The total should be the sum of all appropriations and match the appropriations listed in "Continuation History" of the CC-C Narrative Word Document. If they do not match exactly, the Word document should footnote the table with an explanation, illustrating all numbers.

The subsequent columns are out year impacts for projects that will be continuation projects. Such projects must have distinct activities for each year. Even if a Current Request is funded, there is no guarantee that out year requests will be funded as continuation projects. Each year's project must be able to stand on its own (discreet portion of work) and the narrative portion of the form should fully defend this. Construction on the same portion of the building should not cross fiscal year requests. However, each of those year's appropriations may be carried forward so they can be accessed for three fiscal years.

Instructions for: CC-C

A. Land/Building Acquisition. If this project will include a cost to acquire land, enter the amount here.

B. Professional Services. Enter the total requested, all prior appropriations, and amount requested for each applicable year for all items. Do not include an amount under "Prior Appropriation" unless it appeared in a previous Long Bill or separate appropriation bill.

B-1. Master Plan/PP. Circle or boldface either “master” or “PP” (for program plan) to indicate the correct plan. Include the total cost requested to complete plan.

B-2. Site Surveys, Investigations, Reports. Identify other engineering design fees, not related to the physical structure, such as civil engineering for site grading, sewage treatment, water treatment, traffic, etc. Include the estimated costs for site topographic information, utility surveys, soil tests and reports, and other tests required by the specifications (e.g., concrete strength, weld tests, etc.) Testing for the existence of asbestos and air monitoring during remediation also should be included here.

B-3. Architectural/Engineering/Basic Services. Identify all fees for the design of the building. These include architectural design, structural engineering, mechanical engineering, and all special consultants such as fire protection, acoustics, information technology, etc.

B-4. Code Review/Inspection. Include the cost for an approved Code Review Agent review for compliance with the building codes as required by the Office of the State Architect per Section 24-30-1303(1)(r), C.R.S.

B-5. Construction. If applicable, include the construction manager fee. Note that only paid, outside consultants are allowed. No departmental FTE can be paid through capital construction.

B-6. Advertisements. Include advertisement costs, if any.

B-7. Inflation for Professional Services. Here, the agency must complete both the total dollars attributed to inflation and the percentage. Percentage increases **MUST** be defended in the narrative portion of the document, or 0% inflation will be recommended by OSPB.

B-8. Other (Specify). Include all additional anticipated professional fees for the project. Specify fees associated with the new High Performance Certification Program as implemented by the Office of the State Architect. Specify the type of fee or fees. Please note that tap fees are not professional service fees.

B-9. Total Professional Services. Enter total of items B-1 through B-7 (do not add in the inflation percent at 7b). If this amount exceeds 10 percent of line C-4, “Total Construction Cost,” for a new facility or 15 percent for a renovated facility, attach a written explanation to justify higher costs than generally allowed.

C. Construction. This section displays the total amount of money requested for the project. Do not include an amount under the column “Prior Appropriation” unless funds were appropriated in a previous Long Bill or other separate appropriation. Estimates should be based on the anticipated cost of construction for July of the year for which the appropriation is requested.

C-1. Infrastructure

(a) Services/Utilities. The building construction cost (C-1) will include utilities to a point five feet outside the building. The utilities cost should include all other costs associated with obtaining power, water, gas, telephone lines, sewer, etc., extended from the nearest source to within five feet of the building(s). Include water or tap fees

paid to other governmental entities in this line. Do not include funds for other infrastructure reserves. Other infrastructure projects resulting from the impact of the requested project should be submitted as a separate capital construction project request(s).

(b) Site Improvements. Include all excavation and backfill costs to prepare the site and all other work such as clearing, leveling, asphalt paving, curb and gutter, walks, site lighting, drainage structures, etc. All work related to landscaping should be included here as well. Examples include: sod, trees and bushes, and irrigation systems.

C-2. Structure/Systems/Components. Include the estimated cost for the construction of the building(s). The cost should include utilities to a point five feet outside the building line. Provide the gross square footage of the new facility or the gross square footage to be renovated next to “GSF” in the first column on the left. The cost of temporary power, water, etc., during construction provided by the state cannot be included. Include basic pricing in the following categories as they pertain to the specific project:

(a) New (\$_____/GSF)

(b) Renovated (\$_____/GSF)

C-3. Other (Specify). Include any asbestos or other types of hazardous material remediation required and any demolition as line item costs here; specify those and other construction costs.

C-4 High Performance Certification Program. Include all anticipated construction, materials, and equipment costs associated with complying with the High Performance Certification Program as implemented by the Office of the State Architect. These additional costs must comply with statute, if not; a waiver is required from the Capital Development Committee.

C-5. Inflation for Construction. Here, the agency must complete both the total dollars attributed to inflation and the percentage. Percentage increases **MUST** be defended in the narrative portion of the document, or 0% inflation will be recommended by OSPB.

C-6. Total Construction Costs. Add C(1) through C(5a) and enter the total here.

D. Equipment and Furnishings.

D-1. Equipment. Enter the cost of the equipment required for the project. This item should include equipment that can be moved and reused even if it is a built-in and would not be included in the general construction contract. Examples include equipment for kitchens, laboratories, laundries, shops, medical facilities, stages, communication, etc. Computer and Network Equipment includes workstations, file servers, routers, hubs or switches, printers, scanners, and other required hardware. Include in this line movable partitions, work surfaces, etc., which are part of the offices and workstations. If the total cost of all computer and information technology (IT) equipment and wiring included in D-3 exceeds \$2 million, a CC-IT form must be completed in addition to including the costs in lines D-1 through D-3. All scientific or instructional equipment costing \$50,000 and having a life expectancy of five years or greater is considered capital construction. What is not acceptable as capital

construction? See Section 11.2 of this Chapter.

D-2. Furnishings. The cost of the furniture and other items necessary to complete the project for occupancy should be included here. These items would not normally be a part of the general construction contract. Examples are window coverings, cabinets, wardrobe, desks, chairs, tables, seating, etc.

D-3 Communications. Include the costs associated with telephones and other communications here, such as the purchase and/or installation of fiber optic cable or other wiring for voice, Internet, intranet, local area network, and/or audio conferencing capabilities. Do not include cost of equipment for programs related to communication, computers, or other devices for audio or video equipment. These costs are part of equipment included in D-1.

D-4. Inflation for Equipment and Furnishings. Here, the agency must complete both the total dollars attributed to inflation and the percentage. Percentage increases **MUST** be defended in the narrative portion of the document, or 0% inflation will be recommended by OSPB.

D-5. Total Equipment and Furnishings Cost. Add D-1 through D-4a and enter the total here. If the "Total Equipment and Furnishings Cost" exceeds 10% of Total Construction Cost, attach an itemized list for both "Equipment" and "Furnishings."

E. Miscellaneous

E-1. Art in Public Places. Section 24-80.5-101, C.R.S., requires that "not less than one percent of the capital construction cost" shall be used for the acquisition of works of art when appropriate. This requirement applies to all new construction projects, and all renovation projects of more than \$2 million. The 1% requirement does not apply to telecommunications, information technology, capital renewal, or controlled maintenance projects or to projects that are exclusively cash-funded. Apply the applicable percentage to line C-5 of the project cost sheet. Specify the amount dedicated for this program. Agencies need count only the state-funded portion of the construction request, and only if that amount is to be appropriated (certificates of participation are typically not appropriated). However, departments and institutions are strongly encouraged to apply the 1% to all fund sources of construction.

E-2. Building Maintenance Fund. The Office of State Planning and Budgeting strongly recommends that future deferred maintenance be funded for the requested project by the establishment of a building maintenance fund. Please enter the amount that will be placed into the fund, by year, so that enough will be accrued in fifteen years to avoid state-funded Controlled Maintenance.

For each new capital construction project (creating a new building or totally renovating an existing one) it is recommended that the agency or institution initially set aside 1% of the construction cost at a minimum into an interest bearing account for future controlled maintenance needs and, if possible, add to that account annually 1% of the Current Replacement Value (CRV) from operating/maintenance funds. The account should not have to be accessed for at least ten to fifteen years after project completion. This time frame is based on the expected useful-life of materials, equipment and building systems and the need

to design and construct higher quality, more durable buildings in compliance with the High Performance Building Certification Program legislation. These assumptions must be described in the CC-C Word document under Section 11.17 Calculations. If no fund is established, the agency or institution should explain why on the Word document.

E-3. **Relocation Costs.** For some projects it will be necessary to temporarily move some, or all, of the occupants and equipment to another facility. Those moving costs should be shown here. The cost of renting or leasing temporary space should NOT be included here. Lease costs are operating expenses.

E-4. **Other (Specify).** Enter all other costs here.

E-5. **Total Miscellaneous Costs.** Add E-1, E-2, E-3, and E-4 and enter the total here.

F. **Total Project Costs.** This is the total estimated cost of the project. Add A-1, B-9, C-6, D-5, and E-5 and enter the total here for each year that appropriations are requested.

G. **Project Contingency.** These lines provide the contingency for the entire project. Each institution should plan for these funds to be reverted upon completion of the project. Contingencies are established for unanticipated project costs. Add B-9, C-6, D-5, and E-5 and multiply the appropriate percentages. Project contingencies for all new construction, equipment purchases, or facility-related planning studies will be 5% of the total project cost, excluding land acquisition costs. Contingencies for project renovations will be 10% of total project costs, also excluding land acquisition costs. Projects involving both renovation and new construction must indicate how the contingency was calculated. Institutions deviating from these percentages must justify the request on the CC-C Word Document in Section 11.17 "Calculations" for funding consideration. Appropriate use of project contingency funds is outlined in the Office of the State Architect's Procedures Project Cost and Management Guidelines. All contingency costs must be reported on the Capital Construction Project Application Form (SC 4.1) after project completion. Remaining balances are to revert to the Capital Construction Fund.

H. **Total Budget Request.** Add items F and G-3 and enter the total here.

I. **Source of Funds.** The request is not complete until the fund sources are correctly delineated. Sources of funds may be CCF (Capital Construction Fund, typically funded as a General Fund transfer), CF or Cash Funds (from a Cash Fund balance or from institution funds, RF or Reappropriated Funds (funds transferred from another agency), or FF (federal funds). All fund sources must total to the "Total Budget Request." See detail below:

"CCF" is Capital Construction Funds. These monies would include funds transferred into the Capital Construction Fund, which is designated as a reserve fund in Section 24-75-302 (1) (a). Expenditures from the Capital Construction Fund are outside the spending limits of Article X, Section 20 of the Colorado Constitution (the TABOR amendment).

"CF" is Cash Funds. Cash Funds are those funds derived from fees, tuition, other earmarked funds, grants, donations, damage awards, revenues from designated enterprise functions (student housing and dining, bookstore, student union, etc.), and from sales of university-owned property (where specific provisions exist to not require the funds to revert to the General Fund). The General Assembly may also appropriate funds to a cash fund or trust fund from another source.

When Federal Mineral Lease certificates of participation (COPs) or pay-as-you-go funding is requested, this is shown as Cash Funds with a clarifying notation. COPs are lease-purchase agreements that provide for a lump sum of money that is paid off over a number of years. Institutions should use the same planning process and timelines outlined within this budget manual for submitting all projects requesting state funds. Institutions of higher education may receive Capital Construction Funds, FML pay-as-you go funding, or COPs in lieu of Capital Construction Funds. At this time, due to current FML revenue forecasts and recent budget balancing action affecting the fund balance, OSPB does not anticipate recommending FML COPs for FY10-11.

“RF” is Reappropriated. Include funds appropriated more than once in the same fiscal year and typically have been transferred from one agency to another.

“FF” is Federal Funds. Any funds received directly from the federal government; includes categorical or block grants not necessarily available for uses outside of those specified in the grant award.

Instructions for: CC-IT

The instructions for the CC-IT are the same as for the CC-C Cover Page, except as identified below. The CC-IT Excel document shall include all costs associated with components of the information technology project. If the project will require additional funds to complete in subsequent years, list those funds required for the following five years. Do not include an amount under “Prior Appropriation” unless it appeared in a signed Long Bill, special bill, or supplemental bill.

The following rows of this section are explained in more detail as follows:

A. Land Acquisition. If this project will include a cost to acquire/lease land, enter amount here.

B. Contract Professional Services.

B-1. Consultants/Contractors. Enter consultant and/or contractor costs for project development (i.e., consultant/contractor costs not included in other professional service categories).

B-2. Quality Assurance. Identify all consultant fees for the quality assurance portion of this project.

B-3. Independent Verification and Validation. This is intended as a third-party review performed by the Governor’s Office of Information Technology. This review is not required for institutions of higher education.

B-4. Training. Include all training costs associated with initial roll-out of the project. This includes first-time training costs only. Ongoing or periodic training is an operating fund expense. Training cannot pay for state FTE.

B-5. Leased Space. If applicable, include temporary costs associated with leasing space for

consultants working on the project.

B-6. Feasibility Study. This is for preparing a feasibility study per the Office of Information Technology criteria. This review is not required for institutions of higher education.

B-7. Inflation for Professional Services. Here, the agency must complete both the total dollars attributed to inflation and the percentage. Percentage increases **MUST** be defended in the narrative portion of the document, or 0% inflation will be recommended by OSPB.

B-8. Other Services/Costs. List and describe any other cost related to this project.

B-9. Total Professional Services Cost. Enter the sum of items B-1 through B-8, not including 7b.

C. Associated Building Construction. This section displays the total amount of money requested for building construction needed to support the information technology request. Estimates should be based on the anticipated cost of construction for July 1 of the year for which the appropriation is requested.

C-1. New (GSF). Include the estimated cost for the construction of the building. The cost should include utilities to a point five feet outside the building line. Provide the gross square footage of the new facility in the far left column. Include any hazardous substance remediation or any demolition costs here. The cost of temporary power, water, etc., during construction provided by the state cannot be included. Include the basic pricing on the next line in the far left column.

C-2. Renovate/Connection Costs (GSF). Include the estimated cost for renovation of an existing building. The cost should include infrastructure connections. Provide the gross square footage to be renovated with this item. Include any asbestos remediation and/or any demolition costs here. The cost of temporary power, water, etc., during construction provided by the state cannot be included. Include the basic pricing on the next line in the far left column.

C-3. Site Work/Landscaping. Include all the excavation and backfill costs to prepare the site and all other work such as clearing and grubbing, asphalt paving, curb and gutter, walks, site lighting, drainage structures, etc. All work related to landscaping should be included here. Examples include, sod, trees and bushes, and irrigation systems.

C-4. Inflation for Construction. Here, the agency must complete both the total dollars attributed to inflation and the percentage. Percentage increases **MUST** be defended in the narrative portion of the document, or 0% inflation will be recommended by OSPB.

C-5. Total Construction Costs. Add C-1 through C-4a and enter the total here.

D. Software Acquisition.

D-1. Software COTS. Include the cost of commercial off-the-shelf software needed to implement the project.

D-2. **Software Built.** Include the costs associated with developing new custom software. This should be separate from general professional service fees.

D-3. **Inflation for Construction.** Here, the agency must complete both the total dollars attributed to inflation and the percentage. Percentage increases **MUST** be defended in the narrative portion of the document, or 0% inflation will be recommended by OSPB.

D-4. **Total Software Cost.** Add D-1 through D-3a and enter the total here.

E. Equipment

E-1. **Servers.** Enter the cost of all servers.

E-2. **PCs, Laptops, Terminals, PDAs.** The cost of new personal computers, laptops, terminals, and personal digital assistants (PDAs) should be included here. Identify the cost of those items required for the implementation of the new technology system.

E-3. **Printers, Scanners, Peripherals.** Include the costs associated with printers, scanners, and peripherals related to the implementation of the new technology system.

E-4. **Network Equipment/Cabling.** Include costs associated with network equipment.²⁷

E-5 . **Other (Specify).** Specify costs associated with other equipment.

E-6. **Miscellaneous Costs.** Specify other costs not included elsewhere and enter the total here.

E-7. **Total Equipment and Miscellaneous Cost.** Add E-1 through E-5 and enter the total here.

F. Total Project Cost. This is the total estimated cost of the project. Add A-1, B-8, C-4, D-3, E-6, and F-1 and enter total here.

G. Project Contingency. These lines provide the contingency for the entire project. Each institution should plan for these funds to be reverted upon completion of the project. The project contingencies are for unexpected costs that occur during project implementation, and therefore property acquisitions are not considered in the contingency calculation. Add B-9, C-6, D-5, and E-7 and multiply the appropriate percentages explained below. Project contingencies for all new construction, equipment purchases, or information technology-related planning studies will be 5% of the total project cost. Contingencies for project renovations will be 10% of total project costs. Agencies deviating from these percentages must justify the request in writing in the CC-C support form.

H. Total Budget Request. Add items F and G-3 and enter the total here. Fund splits must be included.

Instructions for: LCC – Life Cycle Costs Form

The LCC-Form will be distributed at a later date for FY2014-15 capital construction requests.

LCC-Form will require identification of feasible alternatives and the cost of these alternatives, establish common assumptions and parameters, discount of future costs to present value, compute and compare life cycle costs (LCC) for each alternative, and estimate of non-monetary savings or costs.

Instructions for: CC-C and CC-IT Word Form

The narrative template for both traditional capital and IT requests is the same. Use the CC-C Word Document for capital construction and information technology projects. After submission to OSPB, requesters typically receive comments or questions from OSPB. The responses to the questions are expected to be integrated into the revised form before signature (not simply answered via email) so that the information is there for the Capital Development Committee and the Joint Budget Committee.

All items in the template should be completed as indicated. Do not leave any rows blank, and use N/A only as appropriate. As necessary, please replace empty checkboxes () with checked boxes () from the symbols list.

Header Information

Identify the institution submitting the request and the institution's CEO. Beneath the department name, identify that the request constitutes a traditional Capital Construction request or an IT request, and indicate the correct date of the request.

Request Title and Priority Number

Identify all requests with a unique priority number based on the prioritization undertaken by the governing board. The priority number **MUST** match the CC-P. Then, describe the request in a short title that will identify it in a unique way. The title should match the title on the CC-P.

Signature

Each funding request must be signed by the CEO or designated representative. This signature indicates that the institution's CEO has reviewed and approved the request.

Summary Header Table

In the table below the request title and priority number, enter the total funds amount and complete columns for the appropriate sources of funding (Capital Construction Funds, Cash Funds, Reappropriated Funds, etc.). This table should identify funding for all years associated with the request. *In this table, only include relevant columns and rows, and delete others – the summary table should not include columns or rows filled entirely with zeros.*

Request Summary

This section is meant to be short; type *one paragraph* to describe the amount of the request and the construction project itself.

Background and Justification

Include *as many paragraphs as necessary* to describe the conditions leading to the necessity of this capital request. This includes a description of why current buildings or systems have become inadequate for programmatic use, and a description of the programmatic necessity of capital construction or improvement.

If this facility has been given a “Facility Condition Index Score,” please include a description of that score in this section

Project Description

Include *as many paragraphs as necessary* to describe the project. For construction projects, this would include the amount of space needed, the types of rooms or equipment included in the request, and similar items. For IT requests, this includes a thorough discussion of the software, services, and hardware to be purchased.

Please note in this section if this request represents a continuation from a project appropriated in a previous year.

Life Cycle Cost (LCC) Analysis

Identify the feasible project alternatives and common assumptions and parameters for the economic evaluation of the alternatives. Based on the calculations from the LCC-Form, provide the discounted future costs and the present value, adjusted costs for inflation and/or price escalation over time for each alternative, the total estimated costs, and a comparison of project requested and the alternatives.

Consequences if Not Funded

Include as many paragraphs as necessary to explain the likely outcome if this request is not approved.

Operating Budget Impact

As necessary and appropriate, include a discussion of how this project will affect operating appropriations in the department. This includes a discussion of any appropriation increases or decreases necessary to provide for building or system maintenance, increases or decreases in FTE, and the anticipated time line for operating impacts.

Assumptions for Calculations

In as many paragraphs and tables as necessary, include descriptions of the calculations used to justify the amount requested. Descriptions of assumptions and calculations should include:

- Estimated expenditures for land purchases;
- Estimated expenditures for professional services;
- Estimated expenditures for construction;
- A list of equipment and furnishings, including estimated prices;
- Calculations for art in public places, as necessary;
- Inflation assumptions by year and component;
- A discussion of costs associated with High Performance Certification Program (HCHP), or LEED certification, and the target certification level. If HCHP certification will not be pursued, please provide an explanation as to why the project is exempt from this requirement; and
- Other details as necessary.

Section 9.c. requires the agency or institution to describe any impact to the planning documents that have been completed. If the request results in a change to planning documents, an amendment to the planning document should be submitted simultaneously, explaining why. In that case, this response should refer to the specific attached plan or amendment and describe exactly what has changed. Page number references should be included.

Supplemental Criteria (if necessary)

Describe the necessity of this project as a supplemental request. Describe any unforeseen circumstances that necessitate an appropriation in advance of passage of the Long Bill.

Additional Request Information Table

Please complete all rows in this table and replace empty checkboxes (☐) with checked boxes (☑) from the symbols list.

Continuation History Table

If this project is a continuation from a prior year’s appropriation, please complete this table to summarize previous appropriations. The total appropriations in prior years should match the corresponding entry on the CC-C or CC-IT Excel Cover Page.

Estimated Project Time Table

In this table, identify the critical steps to be completed as part of the requested project, estimate the start date for those steps, and estimate the completion date for those steps. Add or delete rows from this table as necessary.

Cash Fund Projections Table

If the request involves a cash fund source, this section must be fully completed. If no cash funds are involved, please delete the table.

For each cash fund requested, identify the name and COFRS number of the fund. Identify the statute that created the fund, and describe how revenue accrues to the fund. If this project will require a fee increase or other revenue increase, describe the increase and identify the additional revenue that is likely to be collected.

If the project is being financed, the table must describe the terms of the bond, including the length of the bond, the expected interest rate, when the agency plans to go to market, and the expected average annual payment.

Please indicate the actual cash fund balance at the end of the most recently completed fiscal year, the projected fund balance at the end of the current fiscal year, and the projected cash fund balances in the request year and out-year. Projected balances must reflect the anticipated balances if the project is approved.

All components for each source of cash funds must be completed.

Instructions for: CC-C2

The CC-C2 was developed to respond to provide basic information to CCHE and the CDC about projects under SB09-290 – cash funded projects not funded through the Intercept Act. Note that for FY 2013-14, the CC-C2 has been streamlined to three sections:

Section 1: Summary Information

- All items must be completed as indicated. Do not leave any rows blank. Use N/A only if appropriate. Replace empty checkboxes (☐) with checked boxes as necessary (☑) from the symbols list.

- Project Name should be the exact same as the project title on the Two-Year cash list (CC-LCF form). Please do not use acronyms in the title.
- Double click on the header to enter the agency name and project name. The Project Name should be the exact same as the project title on the Two-Year cash list (CC-LCF form). Please do not use acronyms in the title.

Section 2: Brief Summary of Capital Project

This section is meant to be short; a quick place that analysts, Commissioners, and legislators can go to get the basic outline of the request. This section should stand on its own as a general, succinct, complete summary of the request. Additional information can be provided in Section 3.

- Section 2a - Briefly explain the project stating exactly what the project will be physically accomplishing and why.
- Section 2b – Briefly explain what spending authority is being requested, and how cash funds will be provided.
- Section 2c – Briefly explain the campus programs and/or population that will impacted by the project.
- Section 2d – Briefly describe LEED and associated cost assumptions.

Section 3: Additional Information

Institutions can supplement the form by adding additional information if necessary. For example, if the project is being financed, it might be useful to describe the anticipated terms of the bond, including the length of the bond, the expected interest rate, when the agency plans to go to market, and the expected average annual payment. It might also be useful to outline the source of funding, if by student fee note the charge to students and when the fee was approved.

Five-Year Capital Construction Program (CC-P)/Governing Board Priority Statements

Description of: CC-P

Each institution must submit a CC-P form if it anticipates beginning *any* state funded capital construction project through FY 18-19. The form is to alert DHE and other state agencies about possible future projects planned within a five-year period and to help ensure continuity among project requests. The accuracy of the prior-year appropriations is checked. Project titles, funding amounts and phasing, and funding sources on the CC-P form should match those on CC-C forms for individual projects. Only projects requesting full or partial funding shown as state capital construction funds or from the Federal Mineral Lease revenues should be included on the CC-P. These projects must indicate a governing board priority number on the CC-P. All cash requests are included only on the Two-Year List (CC-LCF form) only.

Along with the CC-P form, each governing board should submit to DHE a statement about the relative order of importance of projects proposed for FY 14-15, and how those projects relate to those planned for the next five years. The statement should also indicate how projects included in the five-year plan relate to current facility master plans.

Instructions for: CC-P

The CC-P form should be filled out electronically for new projects for the Request Year and any out years. For the FY12-13 budget cycle, the forms should address FY12-13 to FY16-17. State statutes require institutions to estimate the expected completion date if funding is available for each project. All components of the form should be filled in. The department or institutions name should be clearly delineated, headers should carry onto all pages, and page numbers should be included. All forms must be dated.

Preliminary submissions should project the Governing Boards' schedule of capital construction projects for five years including the Budget Request year. For institutions of higher education, governing board amendments to the institution's preliminary schedule should be identified in the FINAL submission. Projected costs are in current dollars. List each project in sequential order of importance.

The same project name should match exactly to the CC-C, CC-B, or CC-IT forms. The facility and the institutional program that will occupy the facility upon completion of the project should be identified. If it is a project that benefits the entire campus, write "Campus Wide." The total project cost is the sum of the prior appropriations and all future costs by funding source. All previous appropriations must match the CC-C, CC-B, and CC-IT forms.

For the Capital Construction Appropriation Phase, designate the appropriation phases in each year's estimated project cost.

- PP = Physical Planning, which includes architectural and engineering planning and design;
- C = Construction, which funds actual construction;
- E = Movable Equipment, which equips the completed project for occupancy and use.

The Five-Year Capital Improvement Program Priority Statement should explain, in relation to the Institutional Master Plan, the agency's, institution's or governing board's judgment of the relative programmatic importance among the facilities projected for the ensuing five-year period. The statement should also explain the multi-year scheduling of any Phased Projects.

Two-Year Capital Construction List of Cash Funded projects (CC-LCF)

Description of: CC-LCF

Each institution must submit a CC-LCF form if it anticipates beginning *any* 100% cash funded capital construction project through FY12-13. This means that any 100% cash funded project that has **not yet commenced** should be listed on the Two-Year list. DHE staff have interpreted the statute to mean that this rolling two year list means that any project listed on it could commence during the current or next fiscal year (provided that all appropriate approvals are secured). With the passage of SB09-290, DHE is required to submit a list of cash funded

projects to the CDC to review and approve. Following the approval of the Two-Year list by the CDC and approval of program plans by DHE (where applicable) institutions will be permitted to begin construction on cash funded projects as they see fit. The accuracy of the prior-year appropriations is checked. Project titles, funding amounts and phasing, and funding sources on the CC-LCF form should match those on CC-C forms for individual projects. Only projects with full cash or federal funding should be included on the CC-LCF. These projects do not require a governing board priority number.

Instructions for: CC-LCF

The CC-LCF form should be filled out electronically for new 100% cash funded projects for the Request Year and any out years. For the FY12-13 budget cycle, the forms should address FY11-12 to FY12-13. State statutes require institutions to estimate the expected completion date if funding is available for each project. All components of the form should be filled in. The department or institutions name should be clearly delineated, headers should carry onto all pages, and page numbers should be included. All forms must be dated.

Prepared by is the name of the person preparing the form; include the email address and telephone number. This should be the person whom is to be contacted by DHE should there be questions about the form.

Institution Name is the name of institution in which the project is to be constructed. Unlike prior versions of the CC-P form, this is not a drop down menu.

Project Title is the name of the project that must be used throughout on all documents submitted to CCHE and the Office of the State Architect.

Funding Source can include:

“CF” is Cash Funds. Cash Funds are those funds derived from fees, tuition, other earmarked funds, grants, donations, damage awards, transfers of funds from other state departments, revenues from designated enterprise functions (student housing and dining, bookstore, student union, etc.), and from sales of university-owned property (where specific provisions exist to not require the funds to revert to the General Fund).

“FF” is Federal Funds. Any funds received directly from the federal government; includes categorical grants or block grants not necessarily available for uses outside of those specified in the grant award.

“TF” are Total Funds. This is a formula that will auto-populate based on the CF and FF entries.

Project Type is a drop down menu. Select the most applicable description from “New Construction”, “Renovation”, or “Renovation and Expansion.”

Intercept Project is a drop down menu. Select the most applicable description and section of Statute. Will with project be funded in whole or in part using funds subject to the Higher Education Intercept Act (SB08-245) and subject to C.R.S. 23-1-106 (10)?

DHE Approval is a drop down menu. Select the most applicable description from:

Pending – a project subject to C.R.S 23-1-106 (10) that has submitted the Program Plan for DHE review but has not yet been approved or rejected.

No – a project subject to C.R.S 23-1-106 (10) that has had its Program Plan refused by DHE.

Yes – a project subject to C.R.S 23-1-106 (10) that has had its Program Plan approved by DHE

N/A – a project subject to C.R.S 23-1-106 (9) that does not require DHE Program Plan review.

List Approval Date is a field requiring a month and year. The List Approval Date reflects the month and year that the project was previously approved as part of the Two-Year Capital List of Cash Funded Projects if applicable. The date should reflect the most recent list approval date by the CDC or CCHE whichever is later. The purpose of the field is to assist the CDC and CCHE in knowing when the two-year list approval commenced for the project.

Project Category is a drop down menu. Select the most applicable description and appropriate section of Statute. “Academic” facilities are core to the role and mission of a college/university. “Auxiliary” facilities are not core to the role and mission, and typically have dedicated funding sources (i.e. residence halls, recreation centers, etc).

Est. Start Date is when the project is expected to initiate and encumber expenses, provide month and year.

Est. Completion Date is when the structure will have occupancy, provide month/year.

Funding Method is a drop down menu. Select the most applicable description of the source of the funds. This can include:

- **Appropriated Fee** is a fee that fits the criteria for an “Academic and Academic Facility Fee” in the annual Long Bill.
- **Gift/Donation**
- **Grant**
- **Non-Appropriated Fee** is a fee that is based on use (i.e. parking fee, recreation center fee, or residence hall rent, etc.)
- **Tuition**
- **Other**

Supplemental Appropriations (CC-B)

Description of: CC-B

Institutions submit CC-B forms to adjust previous year(s) appropriations or to use funds realized in a prior fiscal year. In rare cases, supplemental appropriations can be used to make funds available when the General Assembly is not in session. The CC-B forms are checked to determine their necessity. A requested increase in state funds must come out of other state-funded projects an institution has in progress. If an institution intends to use cash funds, it must indicate on the form that the additional funds are on hand. Requesting a time extension for spending or encumbering state funds (CCF) or cash spending authority is also considered a

supplemental appropriation and requires that the institution complete a CC-B Excel form along with a CC-C Narrative form.

Every form submitted for the supplemental packet should be dated. It should be clear which forms are for the adjusted project and which a complementary and show the original project.

Instructions for: CC-B

In a broad sense there are two different types of supplemental: 1) those adjusting state appropriations; and 2) cash project supplementals. Any supplemental request that adjusts a state appropriation is required to go through OSPB and is subject to the Governor's budget schedule. Supplemental requests for 100% cash funded projects do not go through OSPB and may be submitted at any time during the fiscal year. Some supplemental requests are 1331s, which are supplementals that are emergencies submitted when the General Assembly is not in session. Emergency requests are allowed under the provisions of HB 98-1331. The "1331" process has been used to address both emergency issues as well as to correct technical errors. This process should be used to address those issues that cannot wait to be addressed through the standard supplemental process. 1331 supplemental capital construction requests, regardless of funding source, are limited to emergency situations.

An emergency supplemental request requires the same documentation as a regular supplemental request (i.e., a CC-B form with addenda). If the amount of an emergency supplemental changes, it should be corrected in a regular supplemental submission as a revised request, rather than a new incremental supplemental.

Institutions of higher education will submit first to the Department of Higher Education; DHE will, in turn submit the request to OSPB. OSPB will submit the approved version to the Capital Development Committee and the Joint Budget Committee.

The CC-B narrative uses the same template as the CC-C and must be entirely filled out in order to be considered. The form must include a written explanation of why the dollars or spending authority is needed, what dollar amount the project has already encumbered, what dollar amount has been expended on the project, how long will an extension be required for (if applicable), what elements of the project have been completed, and what needs to be done in order to complete the project.

Every form submitted for the supplemental packet should be dated. It should be clear which forms are for the adjusted project and which are attachments to show the original project.

OSPB submits supplemental requests to the CDC in December and copies the Joint Budget Committee staff. Emergency supplementals are due to OSPB four weeks prior the Committee hearing (the earlier of either the CDC or JBC meeting). If for an institution of higher education, they must be submitted before that date, approved by DHE, and submitted to OSPB four weeks before the meeting. OSPB will, in turn, submit the approved and signed request to the CDC and JBC two weeks prior to the meeting.

Supplemental requests must meet one of the following criteria for FY13-14:

- 100% Cash or Federally Funded Project
- Urgent AND Critical Life / Safety Project
- Technical correction

- Statutorily required COP payment for capital construction
- Project requires CDHE approval for program review but does not meet FY 2013-14 supplemental criteria for submission to the CDC.

Each supplemental pack should include:

- A new supplemental CC-B or CC-IT-B Excel Form
- A CC-C Narrative form
- If the supplemental involves revising a prior request, attach a copy of the prior CC-C or/and CC-IT form from the original request to the CDC. Be sure to specify "Original" at the top in bold letters with the original date submitted to the CDC.

Appendix A: **CCHE Statutory Authority for Capital Construction**

Most of DHE's statutory authority for review of capital construction projects comes from the Colorado Revised Statutes (C.R.S.) 23-1-106- *Duties and powers of the commission with respect to capital construction and long-range planning*. In italics in parentheses following each subsection is information about where to find information about it in this manual, DHE policies, or elsewhere.

(1) Except as permitted by subsections (9) and (10) of this section, it is declared to be the policy of the general assembly not to authorize or to acquire sites or initiate any program or activity requiring capital construction for state-supported institutions of higher education unless approved by the commission. (*See sections in this manual on capital project reviews.*)

(2) The commission shall, after consultation with the appropriate governing boards of the state-supported institutions of higher education and the appropriate state administrative agencies, have authority to prescribe uniform policies, procedures, and standards of space utilization for the development and approval of capital construction programs by institutions. (*See DHE Policy Section III, Part F – Space Utilization Guidelines.*)

(3) The commission shall review and approve facility master plans for all state institutions of higher education on land owned or controlled by the state or an institution and capital construction program plans for projects other than those projects constructed pursuant to subsection (9) or (10) of this section. Except for those projects constructed pursuant to subsection (9) or (10) of this section, no capital construction shall commence except in accordance with an approved facility master plan and program plan. (*See sections in this manual on capital construction project reviews; also DHE Policy III, Part D - Guidelines for Long-Range Facilities/Infrastructure Planning Guidelines.*)

(4) The commission shall ensure conformity of facilities master planning with approved educational master plans and facility program plans with approved facilities master plans. (*See sections in this manual on capital construction project reviews.*)

(5)(a) The commission shall approve plans for any capital construction project at any institution, including a community college, regardless of the source of funds; except that the commission need not approve plans for any capital construction project at a local district college or area vocational school or for any capital construction project described in subsection (9) or (10) of this section. (*See sections in this manual on capital construction project reviews and on SB 01-209 projects.*)

(b) The commission may except from the requirements for program and physical planning any project that shall require less than two million dollars of state moneys. (*See section in this manual on program plan waivers.*)

(6) (a) The commission shall request annually from each governing board of each state institution of higher education a five-year projection of capital development projects to be constructed but not including those projects constructed pursuant to subsection (9) or (10) of this section. The projection shall include the estimated cost, the method of funding, a schedule for project completion, and the governing board-approved priority for each project. The commission shall determine whether a proposed project is consistent with the role and mission and master

planning of the institution and conforms to standards recommended by the commission. (*See instructions for the Five-Year Capital Construction Plan in this manual.*)

(b) The commission shall request annually from the governing board of each state institution of higher education a two-year projection of capital construction or acquisition projects to be constructed pursuant to subsection (9) or (10) of this section and estimated to require total project expenditures exceeding two million dollars. The projection shall include the estimated cost, the method of funding, and a schedule for project completion for each project. An institution shall amend the projection prior to commencing a project that is not included in the institution's most recent projection. (*See instructions for the Two-Year Cash Funded Capital List in this manual.*)

(7) (a) The commission annually shall prepare a unified, five-year capital improvements report of projects to be constructed, but not including those projects constructed or acquired pursuant to subsection (9) or (10) of this section, coordinated with education plans. The commission shall transmit the report to the office of state planning and budgeting, the governor, and the general assembly, consistent with the executive budget timetable, together with a recommended priority of funding of capital construction projects for the system of public higher education. The commission shall annually transmit the recommended priority of funding of capital construction projects to the capital development committee no later than November 1 of each year. (*See section in this manual on DHE prioritization of state-funded projects.*)

(b) Except as provided in subsection (5) of this section, it is the policy of the general assembly to appropriate funds only for projects approved by the commission.

(c) (I) The commission annually shall prepare a unified, two-year capital improvements report for projects to be constructed or acquired pursuant to subsection (9) or (10) of this section and estimated to require total project expenditures exceeding two million dollars, coordinated with education plans. The commission shall transmit the report to the office of state planning and budgeting, the governor, and the general assembly, consistent with the executive budget timetable.

(II)(A) Commencing in the 2010 regular legislative session, and in each regular legislative session thereafter, the commission shall submit the two-year projections prepared by each state institution of higher education for the 2010-11 and 2011-12 fiscal years, and for each two-year period thereafter as applicable, to the office of state planning and budgeting and the capital development committee. Beginning in the 2010 regular legislative session and in each regular legislative session thereafter, the capital development committee shall conduct a hearing on the projections and either approve the projections or return the projections to the institution for modification. The commission and the office of state planning and budgeting shall provide the capital development committee with comments concerning each projection.

(B) A state institution of higher education may submit to the staff of the capital development committee, the commission, and the office of state planning and budgeting an amendment to its approved two-year projection. The capital development committee shall conduct a hearing on the amendment within thirty days after submission during a regular legislative session of the general assembly or within forty-five days after submission during any period that the general assembly is not in regular legislative session. The capital development committee shall either approve the projections or return the projections to the institution for modification. The commission and the office of state planning and budgeting shall provide the capital development committee with comments concerning each amendment.

(8) Repealed.

(9)(a) Except as provided in paragraph (d) of this subsection (9), a capital construction or acquisition project initiated by the governing board of a state-supported institution of higher education that is contained in the most recent unified, two-year capital improvements project projection approved pursuant to subparagraph (II) of paragraph (c) of subsection (7) of this section, as the projection may be amended from time to time, and that is to be acquired or constructed and operated, and maintained solely from cash funds held by the institution shall not be subject to additional review or approval by the commission, the office of state planning and budgeting, the capital development committee, or the joint budget committee. *(See sections in this manual on Non-Intercept Auxiliary Projects.)*

(b) Except as provided in paragraph (d) of this subsection (9), a capital construction or acquisition project for an academic building initiated by the governing board of a state-supported institution of higher education that is contained in the most recent unified, two-year capital improvements project projection approved pursuant to subparagraph (II) of paragraph (c) of subsection (7) of this section, as the projection may be amended from time to time, and that is to be acquired or constructed solely from cash funds held by the institution and operated and maintained from such funds or from state moneys appropriated for such purpose, or both, shall not be subject to additional review or approval by the commission, the office of state planning and budgeting, the capital development committee, or the joint budget committee. Any capital construction project subject to this paragraph (b) shall comply with the high performance standard certification program established pursuant to section 24-30-1305, C.R.S. *(See sections in this manual on Non-Intercept Academic Projects.)*

(c) Each governing board shall ensure, consistent with its responsibilities as set forth in section 5 (2) of article VIII of the state constitution, that a capital construction or acquisition project initiated pursuant to this subsection (9) shall be in accordance with its institution's mission, be of a size and scope to provide for the defined program needs, and be designed in accordance with all applicable building codes and accessibility standards.

(d) (I) The provisions of this subsection (9) shall not apply to a project that is to be acquired or constructed in whole or in part using moneys subject to the higher education revenue bond intercept program established pursuant to section 23-5-139.

(II) Any plan for any such capital construction or acquisition project that is estimated to require total expenditures of two million dollars or less shall not be subject to review or approval by the commission. *(See sections in this manual on SB 01-209 projects.)*

(e) A capital construction or acquisition project approved and appropriated prior to January 1, 2010, may be contained in the most recent unified two-year capital improvements project projection approved pursuant to subparagraph (II) of paragraph (c) of subsection (7) of this section. The projection may be amended from time to time and shall not be subject to additional review or approval by the commission, the office of state planning and budgeting, or the joint budget committee.

(10)(a)(I) The commission shall review and approve any plan for a capital construction or acquisition project that is estimated to require total expenditures exceeding two million dollars and that is to be acquired or constructed and operated, and maintained solely from cash funds held by the institution that, in whole or in part, are subject to the higher education revenue

bond intercept program established pursuant to section 23-5-139. (*See sections in this manual on Intercept Auxiliary Projects.*)

(II) The commission shall review and approve any plan for a capital construction or acquisition project for an academic building that is estimated to require total expenditures exceeding two million dollars, that is to be acquired or constructed solely from cash funds held by the institution that, in whole or in part, are subject to the higher education revenue bond intercept program established pursuant to section 23-5-139, and that is operated and maintained from such cash funds or from state moneys appropriated for such purpose, or both. Any capital construction project subject to this subparagraph (II) shall comply with the high performance standard certification program established pursuant to section 24-30-1305, C.R.S. (*See sections in this manual on Intercept Academic Projects.*)

(III) Any plan for any such capital construction or acquisition project that is estimated to require total expenditures of two million dollars or less shall not be subject to review or approval by the commission. (*See section in this manual on SB01-209 projects.*)

(b) Upon approval of a plan for a capital construction or acquisition project pursuant to paragraph (a) of this subsection (10), the commission shall submit the plan to the capital development committee. The capital development committee shall make a recommendation regarding the project to the joint budget committee. Following the receipt of the recommendation, the joint budget committee shall refer its recommendations regarding the project, with written comments, to the commission. (See Appendix H: DHE/CDC MOU.)

(c) A capital construction or acquisition project approved and appropriated prior to January 1, 2010, may be contained in the most recent unified two-year capital improvements project projection approved pursuant to subparagraph (II) of paragraph (c) of subsection (7) of this section, and may be amended from time to time.

(10.5) (a) For any project subject to subsection (9) or (10) of this section, if, after commencement of acquisition or construction, the governing board of the institution receives an additional gift, grant, or donation for the project, the governing board may amend the project without the approval of the commission, the office of state planning and budgeting, the capital development committee, or the joint budget committee so long as the governing board notifies the commission, the office of state planning and budgeting, the capital development committee, and the joint budget committee in writing, explaining how the project has been amended and verifying the receipt of the additional gift, grant, or donation.

(b) For any project subject to subsection (9) or (10) of this section, the governing board may enhance the project in an amount not to exceed fifteen percent of the original estimate of the cost of the project without the approval of the commission, the office of state planning and budgeting, the capital development committee, or the joint budget committee so long as the governing board notifies the commission, the office of state planning and budgeting, the capital development committee, and the joint budget committee in writing, explaining how the project has been enhanced and the source of the moneys for the enhancement. (*See sections in this manual on SB01-209 projects reports and Governing Board Annual Report on Cash-Funded Projects.*)

(c) For any project subject to subsection (9) or (10) of this section, the governing board of the institution implementing the project is not required to submit for the project quarterly expenditure reports as described in section 24-30-204 (2), C.R.S. the governing board shall

submit for the project annual expenditure reports as required in section 24-30-204 (1), C.R.S.

(11) (a) Each state institution of higher education shall submit to the commission on or before September 1 of each year a list and description of each project for which an expenditure was made during the immediately preceding fiscal year that:

- (I) Was not subject to review by the commission pursuant to subsection (9) of this section;
- (II) Was approved pursuant to subsection (10) of this section;
- (III) Was estimated to require total expenditures of two million dollars or less; or
- (IV) Was amended or enhanced after commencement of construction pursuant to subsection (10.5) of this section. (*See sections in this manual on SB01-209 projects reports and Governing Board Annual Report on Cash-Funded Projects.*)

(b) The commission shall submit a compilation of the projects to the capital development committee on or before December 1 of each year.

(12) Each institution shall submit to the commission a facility management plan or update required by section 24-30-1303.5 (3.5), C.R.S. The commission shall review the facility management plan or update and make recommendations regarding it to the department of personnel.

(13) The provisions of this section shall not apply to any local junior college district that is not a part of the state system and not eligible to receive any state funds for capital construction pursuant to section 23-71-202 (3).

Appendix B: **Capital Construction and Controlled Maintenance Definitions**

A project qualifies for DHE capital construction review and inclusion in the capital construction budget if it meets the criteria set out below as set forth in C.R.S. 24-30-1301. Also below are definitions of capital renewals (operating budget) or controlled maintenance (Office of the State Architect).

A. Capital Construction includes:

- Purchase of land, regardless of value.
- Purchase, construction, or demolition of buildings or other physical facilities, including utilities, or remodeling or renovation of existing buildings or other physical facilities to make physical changes necessitated by changes in the program. Changes in the program may also incorporate the need to meet standards required by applicable codes; to improve energy conservation; to save costs for facility staffing, operations, or maintenance; or to improve appearance.
- Site improvements or development (landscaping, upgraded utilities, signage etc.)
- Purchase or installation of the fixed and moveable equipment necessary for the operation of new, remodeled, or renovated buildings and other physical facilities and for the conduct of programs initially housed therein upon completion of the new construction, renovation or remodeling.
- Purchase of services from architects, engineers and other consultants to prepare plans, program documents, life-cycle cost studies, energy analyses and other studies associated with any capital construction project and to supervise construction or execution of such capital construction projects.
- Any item of instructional or scientific equipment if the cost exceeds \$50,000 and uses state funds.
- Information technology if the cost exceeds \$500,000. (See section on information technology on the next page for a list of institutions that may request state funding for information technology projects that total less than \$500,000.)
- Preliminary planning including initial review of proposed projects for a) conformity with long-range development plans; b) technical and economic feasibility of the project; c) preparation of outline plans and specifications; or d) preparation of preliminary cost estimates.

Capital construction projects are classified as major (total cost is more than \$2 million) or minor (total project cost is above capital renewal limits but \$2 million or less).

The following expenses are **NOT** capital construction budget requests:

- Printing, publishing, photocopying, and other similar costs related to project administration;
- Postage, certified mailings, long-distance telephone charges, etc.
- Employee compensation or reimbursement for time performing project-related work regardless of the work performed;
- Reimbursement of “in-town” expenses such as food, fuel, etc.
- Travel and lodging expenses directly related to project management;
- Renting or leasing temporary space for people and equipment to accommodate construction projects; these costs must be paid from operating funds.

Information technology projects are capital construction projects if they meet the following criteria:

- They total \$500,000 or more in the request year and the majority of the components has a useful life of at least five years.
- Personal computer replacement or maintenance is not included in the information technology request (unless as a component of a much larger institutional computer systems upgrade).
- Contract personal services and other non-capital items requested as capital construction are integral components of a request.

Based on a Memorandum of Understanding with the Joint Budget Committee, Capital Development Committee, and the Office of State Planning and Budgeting, **information technology projects costing LESS THAN \$500,000** may be capital construction for the following institutions and entities:

- Community College of Aurora
- Lamar Community College
- Morgan Community College
- Northeastern Junior College
- Pueblo Community College
- Otero Community College
- Trinidad State Junior College
- Adams State College
- Western State College
- Colorado Historical Society
- Division of Private Occupational Schools

B. **Capital Renewal** can be funded from a department's operating budget. It includes operating expenses such as:

- Equipment, meaning motor trucks designated over three-quarters of one ton, tractors, trailers, snowmobiles, boats, machinery, reference books, office furniture, file cabinets, typewriters, adding and calculating machines, and other business machines, having a useful lifetime of one year or more, or other items, including, but not limited to, tools, implements, and instruments, which may be used continuously without material change in physical condition, costing more than \$100 and less than \$50,000.
- Alterations and replacements, meaning major and extensive repair, remodeling, or alteration of buildings, the replacement thereof, or the replacement and renewal of the plumbing, wiring, heating, and air conditioning systems therein, costing less than \$50,000.
- New structures, meaning the construction of new buildings where the cost will be less than \$50,000, including the value of materials and labor, either state-supplied or supplied by contract.
- Non-structural improvements to land, meaning the grading, leveling, drainage, and landscaping thereof and the construction of roadways, fences, ditches, and sanitary and storm sewers, where the cost will be less than \$50,000.
- OSPB, in consultation with the Office of the State Architect, will review on a case by case basis, if needed, to confirm that "Capital Renewal" does not include those things defined as capital construction by section 24-75-301, C.R.S.

C. **Capital Renewal** projects (building or infrastructure) are Controlled Maintenance projects

where the total project dollar amount of a single phased, single site project or any phase of an integrated, single site project is in excess of \$2 million dollars. These project requests should be "maintenance driven" projects and not "program driven" as per capital construction projects.

D. Controlled Maintenance includes:

- Projects more than \$15,000, corrective repairs, code compliance, energy conservation, or replacement used for existing state-owned, general-funded buildings.
- Other physical facilities, including, but not limited to, utilities and site improvements, which are suitable for the retention and use for at least five years.
- Replacement and repair of the fixed equipment necessary for the operation of such utilities, when such work is not funded in an agency's operating budget to be accomplished by the agency's physical plant staff.

Controlled Maintenance does **NOT** include:

- Corrective repairs or replacement when such work is funded in an agency's operating budget to be accomplished by the agency's physical plant staff.
- Repair and replacement of fixed and movable equipment necessary for the conduct of programs (such repairs are funded as capital renewal).
- Repairs for rented or leased facilities, or facilities maintained by a self-liquidating property fund.
- Minor maintenance projects may not be accumulated to create a controlled maintenance project.

Capital construction projects arise out of an agency's need to create, expand, relocate, or alter a program due to growth, advances in technology or changes in methods or program delivery. Requests addressing physical space requirements needed to accommodate particular functions, such as those traditionally included in facility programs, would constitute a "program-driven" request, and therefore, be considered a capital construction request.

E. A **Continuation Project** is one that has had an appropriation in recent years or is requested with funding over multiple fiscal years. A Continuation Project is one that was included as the out-year funding from a prior request. A Continuation Project must have been included in a prior CC-C request that was funded for the initial year.

F. A **Non-continuation Project** is one that can stand alone and may not necessarily require additional appropriations to complete. An individual project may also be a stand-alone project that will require distinct phased appropriations for professional services, construction, and equipment. In these cases, CC-C forms should be submitted in each year the project requests an appropriation. For example, a new state-funded building may require enough time in the design phase that it would be appropriate to request professional services appropriations in year one of the project and construction and equipment funding in subsequent years. Also, a four-phase addition to a building could be submitted as four individual projects if each addition could be completed separately as a stand-alone project.

Appendix C:
Department and Agency Codes

<u>DEPARTMENT</u>	<u>DEPARTMENT CODE</u>	<u>AGENCY CODE</u>
Administration	ADM	ADM
Agriculture	AGR	AGR
Corrections	COR	COR
Education	EDU	EDU
Health	HLT	HLT
Higher Education	HED	HED
CU-Boulder	HED	CUB
CU-Colorado Springs	HED	CUS
CU-Denver	HED	CUD
Health Sciences Center	HED	HSC
Colorado State University	HED	CSU
Fort Lewis College	HED	FLC
University of Southern Colorado	HED	USC
Experiment Station	HED	EXP
Cooperative Extension	HED	CEX
Forest Service	HED	SFS
Veterinary Medicine	HED	VTM
Colorado School of Mines	HED	CSM
University of Northern Colorado	HED	UNC
Adams State College	HED	ASC
Mesa State College	HED	MSC
Western State College	HED	WSC
Arapahoe Community College	HED	ACC
Colorado Northwestern Community College	HED	CNC
Aurora Community College	HED	AUR
Front Range Community College	HED	FRC
Red Rocks Community College	HED	RRC
Lamar Community College	HED	LCC
Morgan Community College	HED	MCC
Northeastern Junior College	HED	NJC
Otero Junior College	HED	OJC
Pikes Peak Community College	HED	PPC
Pueblo Community College	HED	PCC
Trinidad State Junior College	HED	TJC
Auraria Higher Education Center	HED	AHC
Historical Society	HED	HST
Human Services	DHS	DHS
Judicial	JUD	JUD
Labor and Employment	LAB	LAB
Local Affairs	LOC	LOC
Military Affairs	MIL	MIL
Natural Resources	NAT	NAT
Public Safety	DPS	DPS
Regulatory Agencies	REG	REG
Revenue	REV	REV
Transportation	CDOT	CDO

Appendix D: Capital Assets Purpose Codes

Preference will be given to those projects which provide the most efficient use of state resources including but not limited to: innovative solutions to space needs, co-location of programs resulting in space and program efficiencies, and operating cost reductions.

A. State Financial Obligations	(1) Certificates of Participation	(2) Other		
B. Continuation Projects Final Phase	(1) Continuation Projects Final Phase			
C. State Wide Priorities	(1) Statewide High Priorities (determined by OSPB/CCHE)			
D. Controlled Maintenance	(1) Level 1 Life Safety	(2) Level 2 Program Disruptions	(3) Level 3 Deterioration	
E. Continuation Projects	(1) Continuation Projects Not Final Phase	(2) Continuation Projects A&E funding only		
F. New Projects Current Program Needs Solutions to Existing Deficiencies	(1) Statutory Requirements Mandates those projects, which are directed by court order or reduce the state's legal liability.	(2) Renovation/ Replacement of Existing Space/Equipment a. significant cost-savings or cost avoidance b. increased level of service	(3) Facility Infrastructure Improvements (4) Technology Infrastructure Improvements	(5) Construction of New Building or Expanded Space a. significant cost-savings or cost avoidance b. increased level of service
G Immediate Future Program Needs — Solutions to Growing Deficiencies	(1) Mandates those projects, which are directed by court order or reduce the state's legal liability.	(2) Renovation / Replacement of Existing Space / Equipment	(3) Construction of New Building or Expanded Space to Consolidate Programs from Obsolete and Congested Space	(4) Facility Infrastructure Improvements (5) Technology Infrastructure Improvements

Appendix E:
COFRS Higher Education Financial Reporting System Program
and Fund Codes

HIGHER EDUCATION FEEDER AGENCY COFRS CHART OF ACCOUNTS 11/2002			
AGENCY CODES		FUND CODES	
Department of Higher Education	G	GOVERNMENTAL FUNDS	
Colorado Commission on Higher Education (CCHE)	GAA	General Fund-Unrestricted	100
Colorado Council on the Arts	GBA	Regular Capital Construction	461
Colorado Student Loan Program (CSLP)	GDA	HIGHER EDUCATION FUNDS**	
Private Occupational School Division	GPA	Current Unrestricted – Nonexempt	310
Colorado Student Obligation Bond Authority	GRA	Current Unrestricted - Exempt	311
UNIVERSITY OF COLORADO		Auxiliary Self-Funded Enterprises – Exempt	320
University of Colorado Board of Regents	GFA	Other Auxiliary Fund – Exempt (Optional)	321
University of Colorado – Boulder	GFB	Other Auxiliary Fund – Exempt (Optional)	322
University of Colorado - Colorado Springs	GFC	Other Auxiliary Fund - Exempt	323
University of Colorado – Denver	GFD	Research Building Revolving Fund 23-	324
University of Colorado - Health Sciences Center	GFE	31-129 (CSU only)	
COLORADO STATE UNIVERSITY SYSTEM		Other Auxiliary Fund – Exempt	325
CSU System Board of Governors	GGA	Auxiliary Self-Funded Nonenterprise – Exempt (began 7/1/01)	326
Colorado State University	GGB	CPPS Revolving Fund - Exempt	327
University of Southern Colorado	GGJ	Internal Service Funds – Exempt (began 7/1/01)	328
		Auxiliary Self-Funded - Nonexempt	329
STATE COLLEGES IN COLORADO		Current Restricted - Exempt	330
		Current Restricted - Nonexempt	331
Adams State College	GYA*	Children’s Health Plan 26-17-108 (UCHSC only)	332
Mesa State College	GZA*	Fitzsimons Trust Fund (UCHSC only)	333
Western State College	GWA*	Wildlife Emergency Fund (CSU only)	334
		Loan Fund – Exempt	340
COLORADO COMMUNITY COLLEGES SYSTEM (CCCS)		Endowment Fund – Exempt	350
Arapahoe Community College	GJB	Plant Fund – Exempt	371
Community College of Aurora	GJC	Plant Fund – Nonexempt	375

HIGHER EDUCATION FEEDER AGENCY COFRS CHART OF ACCOUNTS 11/2002

AGENCY CODES		FUND CODES	
Community College of Denver	GJD	HE Agency Fund – Exempt	380
Front Range Community College	GJE	Financial Presentation – Exempt (began 7/1/01)	399
Lamar Community College	GJF		
Lowry HEAT Center	GJP		
Morgan Community College	GJG		
Northeastern Junior College	GJR		
Colorado Northwestern Community College	GJT		
Otero Junior College	GJH		
Pikes Peak Community College	GJJ		
Pueblo Community College	GJK		
Red Rocks Community College	GJL		
Trinidad State Junior College	GJM		
UNIVERSITY OF NORTHERN COLORADO	GKA		
COLORADO SCHOOL OF MINES	GLA		
AURARIA HIGHER EDUCATION CENTER	GMA		
FORT LEWIS COLLEGE	GSA		
METROPOLITAN STATE COLLEGE OF DENVER	GTA		
*Effective 7/01/2004		** The following funds are no longer in use as of 7/1/01: 372, 373, 374, 376, 377	

Appendix F:
Memorandum of Understanding between State Controller's Office
and Capital Development Committee Six-Month Rule

Enforcement of C.R.S. 24-30-1404, as revised April 2001

C.R.S. 24-30-1404(7) requires agencies to execute a contract and encumber funds for any professional services, as defined by C.R.S. 24-30-1404(6), related to a capital construction or controlled maintenance project within six months of the date the appropriation becomes law. For projects when no professional service contract is required, a contract for the project must be entered into within this same six-month time frame. This Memorandum of Understanding (MOU) between the State Controller's Office (SCO) and the Capital Development Committee (CDC) defines the process to be used by departments or institutions to comply with the requirements of the statute.

Construction Projects with professional service contracts

These are typically large building projects that require significant up-front design work.

- Compliance with the six-month rule requires all architecture/engineering services contracts or any other significant professional services contracts related to the design of the project, identified in the project plan, be executed and encumbered within the six-month date. The department controller or institution chief financial officer (CFO) and project manager will certify compliance to the SCO.

-or-

- The project plan may contain an amount for professional services, proposed by the department or institution and agreed to by the CDC, to be encumbered by the six-month date that is less than the architectural/engineering services contracts or other significant professional services contracts related to the design of the project, identified in the project plan. The project plan must also include justification for the proposed amount. The CDC will communicate the approved encumbrance amount to the SCO as a waiver recommendation under C.R.S. 24-30-1404(7). The SCO will issue the waiver letter to the department or institution. If the department or institution cannot encumber the CDC-approved amount by the six-month date, it must submit a new waiver request or revert the project funds.

Alternatively, the department or institution that cannot encumber all of the professional services may follow the normal waiver request process when the problem is identified.

Construction Projects without professional services contracts

These are typically maintenance or repair projects, which may be at one location or spread over many locations. However, no professional service contracts are required to be obtained for the project to commence, or professional services are provided from non-capital construction sources.

Compliance with the six-month rule will be met with an encumbrance, by the six-month date, for the total amount of the project, identified in the project plan. The department controller or institution CFO and project manager will certify compliance to the SCO.

-or-

The project plan may contain a project amount, proposed by the department or institution and agreed to by the CDC, to be encumbered by the six-month date that is less than the full amount of the project identified in the project plan. The CDC will communicate the approved encumbrance amount to the SCO as a waiver recommendation under C.R.S. 24-30-1404(7). The SCO will issue the waiver letter to the department or institution. If the department or institution cannot encumber this amount by the six-month date, it must submit a new waiver request or revert the project funds.

Non-Construction Projects – IT or Equipment Purchases:

Compliance with the six-month rule will be met with an encumbrance, by the six-month date, for the full amount of the project identified in the project plan. The department controller or institution CFO and project manager will certify compliance to the SCO.

-or-

The project plan may contain a project amount, proposed by the department or institution and agreed to by the CDC, to be encumbered by the six-month date that is less than the full amount of the project as identified in the project plan. The CDC will communicate the approved encumbrance amount to the SCO as a waiver recommendation under C.R.S. 24-30-1404(7). The SCO will issue the waiver letter to the department or institution. If the department or institution cannot encumber this amount by the six-month date, it must submit a new waiver request or revert the project funds.

Other Issues

➤ Projects with multiple phases.

The six-month rule requirement is generally monitored for compliance in the first phase of a project. If subsequent phases of a project are dependent on the first phase, once compliance is met in the first phase of the project, additional phases do not have a six-month rule requirement. If multiple phases of a project are designed as stand-alone projects, each phase or the project will be required to meet the six-month rule.

➤ Project Plans

The Office of State Planning and Budgeting (OSPB), Colorado Commission on Higher Education (CCHE), and State Buildings Programs are responsible for monitoring spending on capital construction or controlled maintenance projects to determine the department or institution has complied with the intent of the project plan.

Appendix G: **Special Instructions for Higher Education Information Technology** **Program Plans**

The technology program plans should follow the outline below.

Planning Linkages

1. Master Plan Linkage – Identify systems, objectives, measures, linked to institutional master plan.
2. Technology Master Plan – If no plan has been developed, include earliest date that a plan might be produced, then establish:
 - The title, date, and approval authority for the plan.
 - Context and phasing of proposed project (i.e., prior projects that provide the necessary infrastructure for this project, and what subsequent projects will in turn rely on this project as infrastructure and how this is documented).

Project Details

1. Problem
 - Describe the problem or opportunity to be addressed.
 - Who are the beneficiaries of the project? What is the need that must be met? What usage levels are anticipated?
2. Requirements, Mission and Technical. Describe the requirements for the proposed project from both the mission critical and technical perspective.
3. Alternatives. Identify alternatives examined to solve problem. Explain why chosen alternative was selected.
4. Outcomes, Expected Results
 - Describe the expected, visible outcome, change, or result and quantify its value in specific terms.
 - Justify the project in terms of practical, quantifiable, major benefits to accrue.
5. Project Description. Describe the “what, who, when, why, and how.”

6. **Technical Feasibility and Sound Technology.** Describe and defend the technological feasibility of the project, how it uses existing, current, proven technology creatively and indicate the foreseeable life-span of the technology.

Project Management. Management personnel, accountability, timeline, milestones, resources, and contingencies in completing the proposed project. Describe project management systems to be used in monitoring progress and planning for contingencies.

Alignment with State and DHE Initiatives. Describe and document how the project is aligned with each State and DHE initiative: (provide description for those that apply, otherwise indicate, “Not Applicable”):

1. DHE

- a) Provides full access to campus networks
- b) Provides access to modern computers and software
- c) Ensures minimum Internet access to faculty, students, and administration
- d) Provides network support to accommodate demand
- e) Provides for technology-enhanced classrooms and labs
- f) Provides for training and development to ensure proficient use of information technology
- g) Provides for electronic student services
- h) Supports efficient use of information for administrative workflow processing, decision-making, and reporting both within the institution and with DHE
- i) Provides digital library resources
- j) Provides systems to support outreach
- k) Supports distance learning to increase student access to instruction
- l) Promotes the coordination of distance learning development within governing board system and within institution
- m) Supports the workforce needs of Colorado employers
- n) Other

2. STATE

- a) Makes use of the Multi-use Network
- b) Makes use of the Beanpole Fund
- c) Streamlines service to the beneficiaries
- d) Implements cutting-edge technologies
- e) Transforms the institution by implementing uses of the Internet for e-commerce and new management efficiencies
- f) Replaces costly, cumbersome procedures with paperless, on-line methods
- g) Builds on Colorado’s world-recognized leadership in the development of telecommunications technology
- h) Other

Appendix H: MOU Between DHE and CDC

STATE OF COLORADO

CAPITAL DEVELOPMENT COMMITTEE
Sen. Bob Bacon, Chair
Rep. Jim Riesberg, Vice Chair
Rep. Jerry Sonnenberg
Sen. Gail Schwartz
Rep. Buffie McFadyen
Sen. Mike Kopp



DEPARTMENT OF HIGHER EDUCATION
Bill Ritter, Governor
D. Rico Munn, Executive Director

Memorandum of Understanding Between the Department of Higher Education and the Capital Development Committee Implementation and Interpretation of SB09-290

December 1, 2009

During the 2009 regular session of the Colorado General Assembly Senate Bill 09-290 was passed which drastically changed Colorado Revised Statute with respect to higher education capital construction. SB09-290 provided additional flexibility for institutions of higher education; however the legislation had a phased implementation and several issues that may cause confusion between representatives of the Department of Higher Education (DHE), the Capital Development Committee (CDC), the Governor's Office of State Planning and Budgeting (OSPB), the Joint Budget Committee (JBC), and institutions of higher education (Institutions). This Memorandum of Understanding between the CDC and the DHE is intended to ease the implementation of SB09-290.

The Office of Legislative Legal Services (OLLS) has interpreted SB09-290 to say that certain provisions became effective at the start of the fiscal year on July 1, 2009, while the remainder does not take full effect until January 1, 2010. OLLS has stated that the intent of the legislation was to apply the changes only to new projects, which has strongly influenced the development of the items below. The cash funded projects affected by SB09-290 and that are therefore included in this Memorandum of Understanding are those that fall under the amendments to subsections 9 and 10 of C.R.S. 23-1-106. SB09-290 also changed reporting requirements for higher education capital construction, particularly in subsections 6, 7, 10.5, and 11 of C.C.S. 23-1-106.

Projects approved before January 2010 and included in prior years' Long Bills for informational purposes:

- Because of the OLLS determination that SB09-290 applies to new projects, DHE, CDC, OSPB, and the JBC may see some supplemental requests for cash funded capital projects from higher education institutions in the next few years.
- Supplemental requests: Projects approved before December 2009 are not subject to the provision in SB 09-290 that an institution may enhance a project in an amount up to 15

percent of the original estimate of cost without approval. Rather, these projects will continue to be subject to the existing review and approval process for supplemental spending authority, regardless of the percentage increase of the total cost.

- Supplemental spending authority: The record of supplemental spending authority for projects approved before January 2010 should be listed in a capital supplemental bill, and the affected Long Bill should be amended accordingly.
- For these 100% cash-funded projects, OSPB review has been delegated to DHE.

Projects approved after the passage of the 2009 Long Bill and before December 2009:

- These projects are not to be listed in the Two-Year Cash Funded Capital Improvements Program list.
- JBC staff will list these higher education cash projects in the 2010 Long Bill for informational purposes only, but after FY2009-10, higher education cash-funded capital projects will no longer be listed in the Long Bill.
- DHE will report spending for these projects in an annual expenditures report (see *Reporting* below).
- For these 100% cash-funded projects, OSPB review has been delegated to DHE.

Projects approved under new rules in December 2009:

- It is the mutual understanding of the CDC and DHE that projects included on the *Two-Year Cash Funded Capital Program list* may commence immediately following:
 - CCHE approval on *Two-Year Cash Funded Capital Program list* in December.
 - CDC approval on *Two-Year Cash Funded Capital Program list* in December.
 - DHE and CDC approval of program plan and budget documents, and notification to JBC and Institution of said approval (for Intercept projects only).
- Projects being reviewed and approved at this time have specifically requested and received review under the new rules as provided by SB09-290.
- The intent of this clause is to permit maximum flexibility for Institutions to proceed to bond market or sign contracts in December 2009 while still being under the amended statutory provisions from SB09-290.

Approval of “Two-Year Cash Funded Capital Program list”:

- C.R.S. 23-1-106 (6)(b) and (7)(c)(I)
- This list will only include projects that have not received prior approval from DHE and CDC. It will not include projects approved prior to December 2009 under the rules prior to the full implementation of SB09-290. In future years, the list will not include projects that are underway.
- This list will not include any projects or cash contributions listed on the *Five-Year State Funded Capital Program list*.
- If a project is subject to the Higher Education Revenue Bond Intercept Program (Intercept program), it will be reviewed and approved by DHE. The inclusion of a project on the *Two-Year Cash Funded Capital Program list* does not indicate that a

project subject to the Intercept program has received DHE program plan approval unless specifically stated. DHE staff will notify the CDC upon approval of any program plan.

- After the Colorado Commission on Higher Education (CCHE) considers the *Two-Year Cash Funded Capital Program list*, DHE staff will send a letter to the CDC notifying it of the list's approval and copy staff from the higher education institution, OSPB, and the JBC.
- The CDC shall conduct a hearing on the projections. OSPB and DHE shall provide comments on each projection to the CDC. The comments may be provided in writing prior to the hearing, or may occur during the CDC hearing on the projection. It is the practice of the CDC to listen to scheduled testimony, so prior notice is requested should OSPB or DHE wish to comment on projections during a hearing.
- After the CDC considers the *Two-Year Cash Funded Capital Program list*, CDC staff will send a letter to DHE notifying it of the list's approval and copy staff from the higher education institution, OSPB, and the JBC.
- Institutions may submit an amendment to the approved *Two-Year Cash Funded Capital Program list* at any time during the fiscal year. The amendment must be submitted to the CCHE, CDC, and OSPB. The amendment will then be reviewed and considered by the CCHE and the CDC during the timeframes provided in statute. The CDC shall conduct a hearing on the amendment. OSPB and DHE shall provide comments on each amendment to the CDC. The comments may be provided in writing prior to the hearing, or may occur during the CDC hearing on the amendment. It is the practice of the CDC to listen to scheduled testimony, so prior notice is requested should OSPB or DHE wish to comment on amendments during a hearing.
- After the CCHE and the CDC consider the *Two-Year Cash Funded Capital Program list* individually, each will send notifications to the other as well as copy staff from the higher education institution, OSPB, and the JBC.
- It is the intent of DHE and the CDC that projects remain on the annual *Two-Year Cash Funded Capital Program list* until such time as the projects either commence or are abandoned. Therefore in FY2011-12 and beyond, any project included on a previously approved *Two-Year Cash Funded Capital Program list* that has not commenced by December 1 (or the designated date for DHE submission of said list to the CDC if different) must be included on the new list.

Commencing projects on “Two-Year Cash Funded Capital Program list”:

- Projects subject to the Intercept program are to be included on the *Two-Year Cash Funded Capital Program list* and must receive the following approvals prior to commencing or proceeding to bond market. The approvals may be received in any order, but all must be secured prior to commencement:
 - CCHE approval on *Two-Year Cash Funded Capital Program list*.
 - CDC approval on *Two-Year Cash Funded Capital Program list*.
 - DHE and CDC approval of program plan and budget documents, and notification to JBC and Institution of said approval.

- Projects not subject to the Intercept program are to be included on the *Two-Year Cash Funded Capital Program list* and must receive the following approvals prior to commencing or proceeding to bond market. The approvals may be received in any order, but all must be secured prior to commencement:
 - CCHE approval on *Two-Year Cash Funded Capital Program list*.
 - CDC approval on *Two-Year Cash Funded Capital Program list*.
- Institutions may submit an amendment to the approved *Two-Year Cash Funded Capital Program list* at any time during the fiscal year. New projects added to the list through this amendment may not commence until they receive the appropriate approvals. The approvals may be received in any order, but all must be secured prior to commencement:
 - CCHE approval on *Two-Year Cash Funded Capital Program list*.
 - CDC approval on *Two-Year Cash Funded Capital Program list*.
 - DHE and CDC approval of program plan and budget documents, and notification to JBC and Institution of said approval (for Intercept projects only).
- Projects on the approved *Two-Year Cash Funded Capital Program list* are to commence no later than December 1 or they must be included on the annual list submission and seek re-approval.

Five-Year State Funded Capital Program list:

- C.R.S. 23-1-106 (6)(a) and (7)(a)
- This list will only include projects that require a Capital Construction Fund (CCF) appropriation in the annual Long Bill.
- This list will not include any projects that appear on the *Two-Year Cash Funded Capital Program list*.

Reporting:

- C.R.S. 23-1-106 (11)
- Institutions of higher education are required by September 1 to provide a list and description of each project for which an expenditure was made during the prior fiscal year to CCHE. This list is to include all projects specified by statute.
- DHE staff will compile an annual report from the institution submissions that shows all expenditures for higher education cash-funded capital projects. This report will be distributed to the CDC, JBC, OSPB, and the Office of the State Architect (OSA).

Definition of academic:

- There was no definition of academic facility included in Senate Bill 09-290.
- DHE staff will follow precedent from prior practice and statutory provisions that two factors will be considered in determining whether a facility is academic or auxiliary:
 - Fund source
 - If a project is funded from the appropriated academic and academic facility fee or from tuition then it is typically considered an academic project.

- If a project is funded from an auxiliary source such as housing or parking revenue, then it is typically not considered an academic project and is instead an auxiliary project.
 - Nature of facility
 - If a project is central to the role and mission of the Institution, and provides space for instruction, student services, or other similar role then it is typically considered academic.
 - If it is not clear whether a proposed facility will be used for academic purposes, and it will not be funded from an auxiliary source, then the higher education institution must make a strong case for academic use in order for the proposed facility to be categorized as academic. DHE and CDC staff will also question whether a facility should be categorized as academic and may require a correction to the *Two-Year Cash Funded Capital Program list* prior to approval by CCHE or the CDC.
- Examples of auxiliary facilities include, but are not limited to: residence halls, dining halls, recreation centers, health centers/clinics, parking garages, etc.
- Examples of academic facilities include, but are not limited to: classrooms, libraries, student services, administration, etc.
- The classification of facilities as academic or auxiliary can and will be reviewed during any site visit by DHE, CDC, or OSA. In the event that a classification is suspected of being inaccurate an additional investigation will be conducted and DHE, CDC, and/or OSA may seek a change in facility classification.

Appendix I: OSPB FY 2014-15 Executive Branch Capital Construction Submission Instructions

See link below:

https://www.dropbox.com/sh/q4l3c91gikvmt4/skbAl_jYr1/OSPB%20FY15%20Budget%20Instructions/Executive%20Branch%20Capital%20Construction%20Submission%20Instructions%20FY%202014-15.pdf