

Principles to Guide the Prioritization of University Related State General Obligation and State Backed
Debt Financed Projects

The Higher Education Coordinating Commission (Commission) is tasked by ORS ~~351.735~~350.075 to evaluate and prioritize capital investments of the state of Oregon in its higher education enterprise for recommendation to the Governor for inclusion in the Governor's Recommended Budget. The Commission recognizes that the most cost-efficient means of meeting the State's ambitious 40-40-20 goal is to maintain and increase the utilization and productivity of the current array of university-related capital assets. As necessary in order to meet the education, civic, cultural and research needs of Oregon and Oregon students, the Commission will recommend that additional state capital resources be deployed to support the renovation of existing facilities and the addition of new facilities.

On a biennial basis the Commission will receive from each institution requesting state-backed capital investments a report including how these investments, along with their current capital portfolio, unite the mission and strategy of the institution to key outcomes measures established by the HECC. To these ends the Commission adopts the following statement of principles.

- All state backed debt prioritized and approved by the Commission will support the Commission's strategic plan as well as class, lab, research or student services needs identified by the public university from which the request was received.
- A plan for supporting the ongoing operational and maintenance needs of current and proposed capital assets, including deferred maintenance and building renewal, must be in place if an institution seeks to expand their capital portfolio.
- General Obligation debt incurred by the state on behalf of institutions for the construction, purchase, or refurbishment of real property will principally serve either to (a) ameliorate constraints within the post-secondary system of higher education by expanding institutional capacity to support student access and completion; (b) extend the useful life of capital assets; or (c) develop or extend key competitive advantages that comport with the state's education, civic, cultural, and economic needs.
- The HECC will encourage projects that generate operational cost savings through the refurbishment or repurposing of existing facilities or the construction of new facilities.
- The HECC, in conjunction with the institutions, will evaluate the efficient utilization and proper maintenance of current capital assets in determining the need for the purchase or construction of additional capital assets.
- Collaboration between multiple educational, civic, state and private institutions will be encouraged.
- Where possible the leveraging of non-state resources will be encouraged in order to maximize mission attainment.
- The HECC will advocate for a level of state-paid capital debt that is adequate to provide institutions with the most cost-effective means of addressing deferred maintenance, life-safety, and code compliance needs that rise to the level of capital expenditures.

The Commission will explore the development of a mechanism for rationalizing the total investment of state resources, capital and operating through the state's funding allocation model to institutions. Only state-paid capital debt authorized during the 2015-2017 legislative session or after will be incorporated into this mechanism. A workgroup including representatives of the HECC and institutions will be convened ~~in July of 2015~~ before the 2017 Legislative Session for the purposes of developing this mechanism, exploring its potential consequences and reporting on its feasibility to the Commission.

On a biennial basis, the Commission will produce a scoring rubric designed to incorporate and operationalize the principles enumerated above.

2017-19 University Capital Project - Prioritization Scoring

Presented to the Higher Education Coordinating Commission Funding & Achievement Subcommittee

April 2016

Points	Category	Detail	
A 0 Pts	HECC Strategic Plan & Institutional Master Plan Compliant	The project must relate to the HECC Strategic Plan 2016-2020 (adopted February 2016), as well as the campus's Master Plan and primarily serve class, lab, research or student services needs.	
B 1-30 pts	HECC Priorities (State Priorities)		
	Pts	Priority Category	
	10	Eases capacity constraint within entire system	
	10	Supports student completion	
	5	Supports research & economic development capacity of institution	
	5	Collaboration between education institutions	
C 1-10 pts	Cost Savings	Projects are scored based on cost savings generated by eliminating or limiting deferred maintenance projects, and/or operational savings.	
D 1-10 pts	Life, Safety & Code Compliance	Projects are scored based on the priority of the project to meet life, safety and code compliance needs of mission critical items, including lifecycle cost analysis or projects that support key programs and initiatives.	
E 4-20 pts	Campus Priority		
	Tranche	Pts	
	1	20	
	2	18	
	3	16	
	4	14	
	5	12	
	6	10	
	7	8	
	8	6	
	Each campus will determine the weighted average priority points by projects based on \$20 million dollar priority tranches. Each priority tranche is worth the points indicated in this section.		
F 1-5 pts	Finish what we start	Projects are scored based on how the capital investment could best enhance or complement existing academic and completion program efforts.	
G 1-15 pts	Leveraging Dollars		
	Projects were scored based on the following schedule:		
	% Campus Match	pts	Majority pledged or in-hand
	50% or over	10	100% add
	40%	8	75% add
	30%	6	50% add
	20%	5	25% add
	10%	4	0% ≥ 10% add
	0%	0	
H 1-10 pts	Strategic Priority	Projects are scored based on their ability to bridge gaps and serve identified needs that support the educational, civic, cultural and economic development needs of the state.	
Potential Points	100 pts		