

**Docket Item:**

2017-19 Public University Capital Construction Recommendations

**Summary:**

The 2017-19 Agency Request Budget development process includes an opportunity for public universities to request funding for capital construction projects, including state-backed debt. In recognition of the limited resource nature of state-funded debt service, a prioritization process was established for projects proposed to be backed in whole or in part by state-funded debt service. Staff's application of that prioritization process is complete, represented by a prioritized project list included in this docket item. A prioritized list of projects being recommended for state funding is an essential element of the HECC Agency Request Budget. Additionally, projects for which universities are seeking university-paid, state-issued debt should be considered for inclusion in the Agency Request Budget.

**Docket Material**

As part of the 2017-19 budget development process, HECC University Budget & Finance staff requested capital project submissions from the seven public universities. In conjunction with guidance issued for the compilation of these project submissions, the HECC requested the Vice Presidents for Finance and Administration (VPFA) of the seven public institutions engage in a process to separate all university capital requests into priority tiers, with "Tier 1" consisting of highest priority project requests.

Sixteen projects were included in the Tier 1 list prepared by the VPFA's. Consistent with the process used in 2015-17, these Tier 1 projects are included in the staff prioritization and capital recommendations presented here. In addition to these 16 Tier 1 projects, a supplemental capital request submission opportunity was opened in response to June 7, 2016 guidance issued by Governor Brown. This guidance specified that all university capital projects for which funding will be sought should be submitted to the HECC for review. Three additional projects were submitted as a result of this guidance.

Each of the 16 Tier 1 and three supplemental projects was reviewed as part of the staff prioritization process. Utilizing a capital prioritization scoring rubric adopted April 13, 2016 by the Finance & Achievement Subcommittee, HECC staff utilized information provided by the universities through their capital request submissions, clarifying information requests, and on-site visits to each of the seven public universities to assign scores for each project in seven distinct categories. One of these categories, Strategic Priority, includes an evaluation of a project's ability to, "facilitate the ability of underrepresented, first generation and low income students and students from rural areas of the state to pursue their degrees," as requested by Governor Brown.

**HIGHER EDUCATION COORDINATING COMMISSION**

month, date, year

The resultant project ranking from the review and prioritization process is presented below, along with project descriptions and project financial summaries.

Presented along with the prioritized list of projects seeking state-paid debt, four separate projects seek state-issued, university-paid debt. These projects include three new requests and one re-authorization request.

**Staff Recommendation:**

Accept the staff recommended 2017-19 public university capital construction prioritization and include it in the Agency Request Budget, including those projects seeking new or reauthorized university-paid financing, as presented.