

Docket Item:

Community College Capital Construction Process

Summary:

This docket item summarizes changes made to community college eligibility for capital construction process and outlines the proposed process for identifying projects to include in the agency request budget for 2019-21.

Docket Material:

Eligibility for 2019

During the 2017 Legislative Session, fourteen of Oregon's seventeen community colleges received authority for issuance of XI-G bonds for fifteen capital construction projects (Clackamas Community College received authority for two projects). SB 5505 (2017), which authorizes these projects, also states that:

SECTION 9. (1) A community college for which one project to be funded with general obligation bonds authorized to be issued under Article XI-G of the Oregon Constitution is approved in this 2017 Act may not request approval of an additional project to be funded with general obligation bonds authorized to be issued under Article XI-G of the Oregon Constitution until the beginning of the regular session of the Legislative Assembly held in 2021, unless the community college withdraws the project approved under this 2017 Act. (2) A community college for which two projects to be funded with general obligation bonds authorized to be issued under Article XI-G of the Oregon Constitution is approved in this 2017 Act may not request approval of an additional project to be funded with general obligation bonds authorized to be issued under Article XI-G of the Oregon Constitution until the beginning of the regular session of the Legislative Assembly held in 2025, unless the community college withdraws a project approved under this 2017 Act.

Due to this legislation, the only three colleges are eligible for funding in 2019: Central Oregon Community College, Klamath Community College and Tillamook Bay Community College. Two rules that continue to apply to community college capital as a result of the passage of SB 5506 in 2013: 1) Colleges may not have more than one project approved for XI-G bond funding that are awaiting matching funds, other than projects approved prior to January 1, 2013, and 2) for biennia beginning on or after

July 1, 2015, the aggregate amount authorized for issuance XI-G bonds for projects at a single college may not exceed \$8 million. The first rule does not impact the three eligible colleges, but the second rule does.

Community College Capital Project Selection Process

The community college capital construction process is described in Oregon Revised Statute 589-003-0100. As described therein, colleges shall prepare five-year capital plans that document their new construction, remodeling, maintenance, equipment and ADA project needs, and the projected costs of meeting these needs. These plans shall be updated every two years. After consulting with college officials, the Director or the Director's designee shall prescribe forms and timelines for this planning process. The Commission shall rely upon the submitted capital plans for the development of capital construction requests made to the Department of Administrative Services and Legislature. The Commission shall approve all capital construction requests prior to submission to the Department of Administrative Services or Legislature. Colleges have a right of appeal to the Commission before the new priorities are finally established. In considering how to prioritize projects, the Commission shall list these projects in priority order and assign higher relative rank to those projects that:

- (a) Clearly serve an instructional purpose (first priority);
- (b) Clearly meet an important demonstrated service need of the college (second priority);
- (c) Clearly meet a facilities need that cannot be adequately addressed through alternative, interim, or existing facilities (third priority);
- (d) Clearly serve to complete a comprehensive community college facility (fourth priority);
- (e) Clearly meet an important and articulated objective of the college (fifth priority);
and
- (f) Clearly reflect evidence of local planning and needs assessment (sixth priority).

Proposed Timeline

HIGHER EDUCATION COORDINATING COMMISSION

December 14, 2017

The timeline used last biennium is listed below and will serve as a starting point for developing a timeline in preparation for the 2019 session. Timeline and process will be discussed with the Oregon Presidents Council at their January 2018 meeting.

Date	Activity Description
Week of February 9th:	Due Diligence Report template and ranking information sent to colleges
March 25th:	Due Diligence Reports for Tier I and Tier II are due to HECC's OCCWD
Week of March 28th	HECC staff prepare Due Diligence Reports for Capital Construction Workgroup (CCW) review and ranking
April 1st	Due Diligence Reports are sent to CCW
April 4-13th:	CCW reviews and ranks Due Diligence Reports. In addition, Committee meets to review scoring and make final recommendations to HECC staff.
April 14th:	HECC staff present overview of ranking process and preliminary "high-level" information to Commission such as estimated project totals for Tier I and Tier II (with caveat that list is yet to be finalized pending final OPC and staff review).
April 21st	OPC reviews and approves recommendations to be sent forward to HECC Staff.
April 22-May 4th	Final docket items are prepared for HECC review and consideration.
April 29th:	Deferred Maintenance Project lists are due to HECC: OCCWD
May 12th:	HECC reviews final staff recommendation and considers list for approval and inclusion in 2017-19 Agency Request Budget.

Staff Recommendation:

Information item. A final proposal will be presented at January 2018 HECC meeting.