



# Oregon

Kate Brown, Governor

Higher Education Coordinating Commission

Office of University Coordination

Budget & Finance

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## Capital Improvement and Renewal Technical Workgroup Charge

### Charge:

The Higher Education Coordinating Commission (HECC) has directed through its Funding and Achievement (F&A) Subcommittee formation of a Capital Improvement and Renewal Technical Workgroup (CIR) to aid the Commission in fulfilling its Capital Program duties specified in ORS 350.075. The CIR will formulate a methodology for the Commission to use in its allocation of Capital Renewal and Improvement dollars among the public universities. An allocation formula is needed for the Article XI-Q \$50 million general obligation capital improvement and renewal bonds that are scheduled to be sold in March 2019.

According to ORS 350.075(3):

*The Higher Education Coordinating Commission shall:*

*(a) Develop state goals for the state post-secondary education system, including community colleges and public universities listed in ORS 352.002 (Public universities), and for student access programs.*

*(b) Determine strategic investments in the state's community colleges, public universities and student access programs necessary to achieve state post-secondary education goals.*

*(c) Coordinate the post-secondary elements of data collection and structure, with the advice and recommendation of the state's independent institutions, community colleges and public universities, as appropriate, in order to construct a state longitudinal data system.*

*(d) Adopt a strategic plan for achieving state post-secondary education goals, taking into consideration the contributions of this state's independent institutions, philanthropic organizations and other organizations dedicated to helping Oregonians reach state goals.*

In support of these duties, and to complete this work, the CIR will be facilitated by HECC Office of University Coordination staff, will convene regularly, and will include selected multi-disciplinary representatives of public universities.

The CIR will systematically assess various capital renewal factors including but not limited to those mentioned below to determine appropriateness for inclusion in a proposed CIR Allocation model. The CIR will additionally identify specific factors that will reduce risks to the institutions and the Commission. Finally, the CIR will develop and identify optimal recommendations to the HECC Staff and demonstrate the merits of alternative capital renewal allocations.

**Process:**

The CIR Subcommittee will be comprised of the following members:

- HECC University Coordination, Budget & Finance staff (workgroup chair)
- Representatives of the public universities selected in coordination with the VPFAs
- DAS Capital Finance Analyst representative

The CIR will examine those items included in the HECC Timeline and Capital Renewal Factors cited below and also review those definitions, data elements, and calculation revisions identified by staff. This examination may include research into best practices, review of data sets, and discussion of institutional context. Each institution will maintain and contribute to the CIR selected data sets based on the Capital Renewal Factors derived and approved by the Workgroup.

**Timeline:**

The CIR roster will be established in April 2018 with its inaugural meeting to be held in May 2018 if possible. The CIR will consider, but will not be limited to, the following potential Capital Improvement and Renewal allocation factors:

**Capital Renewal Factors:**

- Education & General Square Feet
  - Classroom and Lab
  - Faculty, Staff and Graduate Student Offices
  - Library/Study
- Age of the Asset
  - In reverse order of oldest to newest in ten year segments
  - New buildings should require less maintenance
- Building Size and Complexity
  - Examples: equipping medical and laboratories
- ADA Risks
  - Examples: ramps, bathrooms, elevators
- Life and Safety Risks
  - Examples: security, fire-alarms, ventilations, fire-wall doors
- Seismic Compliance Risks
  - Number of floors in building
- Sustainability
  - LEED Designations or potential for LEED Designations
- Cost - Deferred Maintenance
- Cost - Current Replacement Value
- Facilities Condition Index
  - Deferred Maintenance/Current Replacement Value