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**Docket Item:**

10-Year Strategic Capital Plan for Public Universities

**Summary:**

In early 2018, the HECC determined that its Funding and Achievement Subcommittee would oversee the development of a 10-year strategic capital plan for public universities, through partnership with the public universities and an external expert in educational strategic capital planning.

**Background:**

During the development of the 2017-19 Agency Request Budget, Governor Brown issued a letter (June 7, 2016) to the Commission requesting that certain considerations be made in the review of capital project proposals. Included in the letter was restatement of the state's long-term need to, "take a broad view of higher education investments—both operating and capital investments—as we continue along the path to meet the state's 40/40/20 goal." This new strategic capital development plan will draw from the collective body of knowledge about capital needs statewide.

The agency is finalizing a contract with an external consultant to develop a long-term public university capital plan that establishes a framework for capital investments necessary to meet the state's higher education goals in view of workforce, demographic, and capital facilities data and projections. This project will leverage related work that already is underway, including the Oregon Talent Assessment adopted in 2018.

**What the project is:**

This project will provide a target public university capital portfolio through 2029. This will be a high-level summary of capital need based on demographic, economic, industry, and other environmental factors. It will divide the targeted portfolio by region of the state. It will divide the existing and potential future capital portfolio according to ideal usage and utilization, estimating space need for different academic disciplines, perhaps by degree levels, and space function (education versus research, for example). It will require collaboration between the HECC, the selected contractor, and the public universities to ensure availability of data for analysis and a common understanding of the results of any analysis. The final deliverable and the data and analysis behind it will guide Commission decisions on the prioritization of capital project requests to enable a more complete view of investment in higher education.

**What the project is not:**

This project or its results will not supplant current capital planning efforts by individual public universities. The project deliverables will not recommend specific construction or renovation projects; rather, it will indicate if additional square footage or other capital investments may be needed, taking into account utilization and condition of the existing capital footprint. Additionally, the work will quantify any such need. The project is not a replacement for a Commission prioritization of capital project proposals from the universities, but will be a tool that the Commission may use in its evaluation and prioritization of projects to be included in future recommendations to the Governor and Legislature. The project is not a specific effort to quantify deferred

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maintenance or evaluate the cost of remediating deferred maintenance of existing public university facilities. The project is not directly connected to institution strategic plans but may consider the missions of institutions in determining an ideal capital footprint. The project is not an aggregation or reimagining of university master plans.

**Timelines:**

HECC and Department of Administrative Services Procurement have coordinated with the Department of Justice to finalize the proposed contract award by late January, 2019. Staff anticipates the initial phase of work authorized as a result of this contract to be completed by the end of September 2019. The HECC will use the results of the plan to guide its prioritization of public university capital requests for the February, 2020 legislative session.

Biweekly check-in meetings will be scheduled between the HECC Strategic Capital Development Team and Contractor, once the contract is awarded. The contractor will work closely with Oregon's seven public universities. Periodic updates will be provided to the HECC's F&A Subcommittee.

**Staff Recommendation:**

Informational and discussion item only.