



Potential Revisions to University Capital Rubric

Jim Pinkard

Director, Postsecondary Finance
and Capital

June 2019

HECC University Capital Principles

Prioritization will focus on aligning economic incentives of institutions with the state's strategic capital plan. Not a distribution model.

All state-backed debt will support E&G space and will serve to:

- Extend the useful life of current capital assets
- Expand capacity to meet needs of students
- Develop or extend key competitive advantages

Projects that include/demonstrate the following will be prioritized:

- Operational cost savings
- Public-private and multi-party collaborations
- Leveraging of private resources and university funds

Existing Capital Rubric

Project must meet institution's campus master plan and HECC strategic plans	<ul style="list-style-type: none">• Minimum threshold
HECC priorities	<ul style="list-style-type: none">• Ease capacity constraints within portfolio - 10 pts• Support student completion - 10 pts• Support research & economic development - 5 pts• Collaboration - 5 pts
Cost savings	<ul style="list-style-type: none">• 10 pts
Life, safety and code compliance	<ul style="list-style-type: none">• 10 pts
Institutional priority	<ul style="list-style-type: none">• 20 pts
Clear Identification of Student Focus	<ul style="list-style-type: none">• 5 pts
Leveraging campus and external support	<ul style="list-style-type: none">• 15 pts
Strategic priority	<ul style="list-style-type: none">• 10 pts

Proposed Capital Rubric

Project must meet institution's campus master plan and HECC strategic plans	<ul style="list-style-type: none"> • Minimum threshold
State and HECC priorities	<ul style="list-style-type: none"> • Ease capacity constraints within portfolio — 10 pts • Support student completion — 10 pts • Support research & economic development - 5 pts • Collaboration - 5 pts • Alignment with Ten Year Strategic Capital Development Plan 40 pts
Cost savings and Sustainable Building Practices	<ul style="list-style-type: none"> • 10 pts
Life, safety, code compliance, loss of Use	<ul style="list-style-type: none"> • 10 pts
Institutional priority	<ul style="list-style-type: none"> • 20 10 pts
Clear Identification of Student Focus	<ul style="list-style-type: none"> • 5 pts
Leveraging campus and external support	<ul style="list-style-type: none"> • 15 pts
Strategic priority	<ul style="list-style-type: none"> • 10 pts

- 50/50 split between state plan alignment and other priority factors
- The strategic capital plan is expected to include capacity constraints; the State and HECC priorities category was provided a full 50 points (or half the rubric total)
- The cost savings category is refined to include sustainability
- Institutional priority is reduced and the calculation simplified
- Strategic priority is removed as duplicative

Proposed Revisions – State and HECC Priorities

- Existing point value is 30 points – recommend increasing to 50 points
- Maintains emphasis on collaboration (5 points), research and economic development (5 points)
- Aligns with State Strategic Capital Development Plan (40 points)
 - Example - Does the project make it easier to fill the vacancies?
 - Example - Does the project achieve 40-40-20 as outlined in the HECC Strategic Plan?
 - Example - Does the project improve opportunities for higher education attainment by the underserved students?

Difficult-to-Fill Vacancies in Oregon by Industry, 2018						
Industry	Vacancies	Average Wage	Full time	Permanent	Require Ed Beyond HS	Require Experience
All Industries	33,023	\$18.76	80%	91%	34%	67%
Health care and social assistance	5,536	\$18.09	59%	98%	44%	61%
Construction	4,829	\$24.20	99%	97%	40%	83%
Manufacturing	4,187	\$21.07	98%	96%	30%	83%
Leisure and hospitality	3,816	\$12.87	53%	84%	8%	41%
Administrative, management, and waste services	3,345	\$17.07	89%	90%	30%	60%
Retail trade	2,462	\$14.06	72%	96%	13%	46%
Professional and technical services	1,968	\$25.75	86%	89%	79%	91%
Source: Oregon Employment Department						



Proposed Revisions – Institutional Priority

E 4-20 Points

Institution Priority

Each institution 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.

Current methodology:

- Overly complex
- Bias against larger total value projects



Tranche	Points
1	20
2	18
3	16
4	14
5	12
6	10
7	8
8	6

D 1-10 Points

Institution Priority

Each institution will identify the top three projects from only the tier one category as defined by the university presidents.

9 points awarded for highest priority

7 points awarded for 2nd priority

5 points awarded for 3rd priority



Proposed methodology:

- University picks top three
- Points simplified by removing tranches