



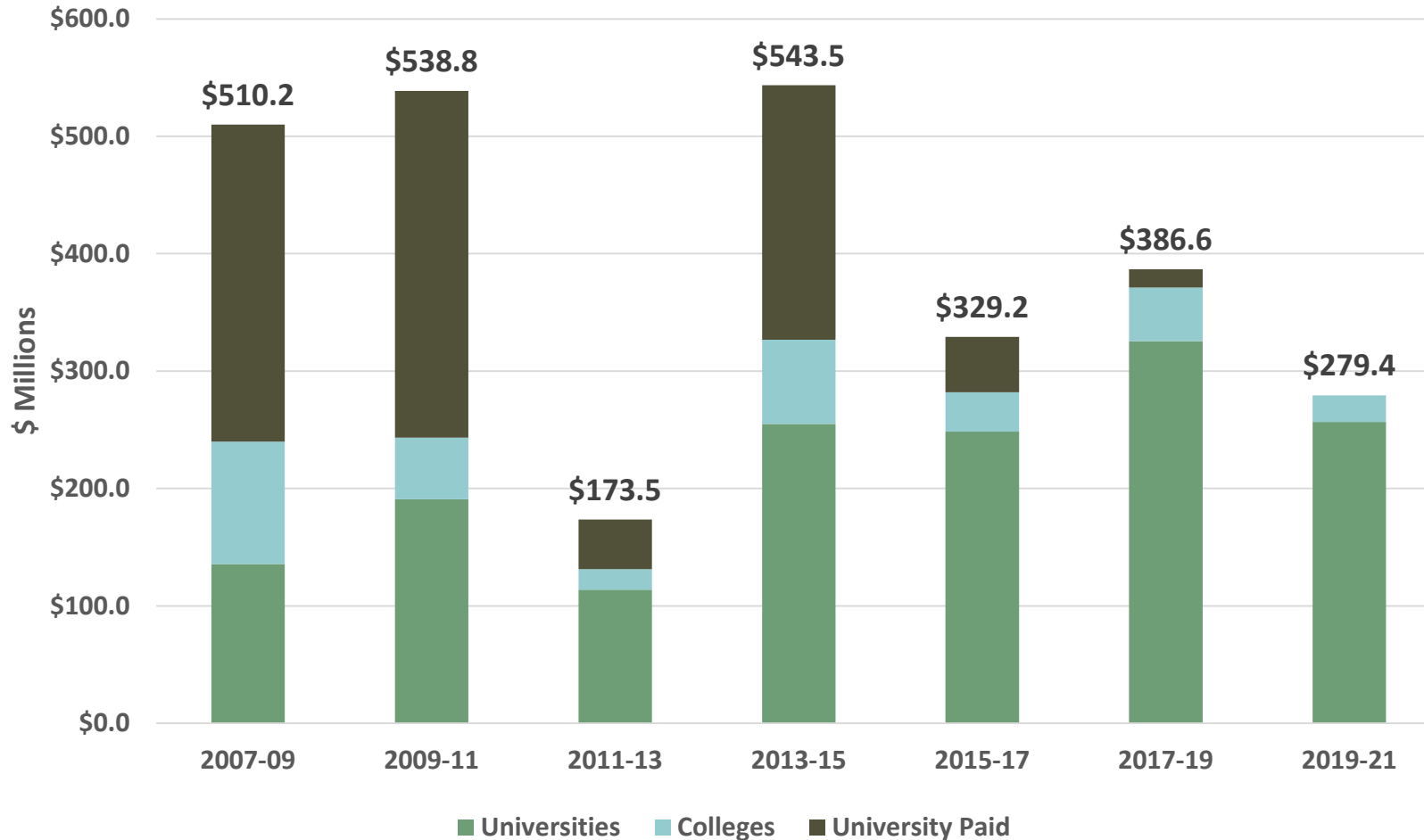
Capital Construction, Overview, including Capital Improvement and Renewal (CIR) funding

Postsecondary Finance and Capital

May 12, 2021

\$2.8 Billion State Investment in Capital

State Issued Bonds for Postsecondary Education, 2009-2021



\$1.53B Universities (G, Q)

\$348M Comm. Colleges (G)

\$888M University Paid (F)

XI-F(1) BONDS – University Only

Backed by university revenues and can be utilized for non E&G projects

University pays debt service

XI-G BONDS – Colleges and Universities

Institution must provide at least 1:1 match. Restricted to higher education.

State pays debt service

XI-Q BONDS – University Only

No matching requirement. Restricted to state-owned buildings.

State pays debt service

Notes: Data from DAS Capital and HECC staff. Does not include institutional resources or bonds issued by local districts.

Community College Rules

Funded by Article XI-G bonds or lottery funds.

No more than one XI-G project approved per institution.

Aggregate amount authorized for projects at a single college may not exceed \$8 million.

University Principles

All state-backed debt will support the Strategic Capital Development Plan through investments in education and student support spaces.

Institutions must plan for the ongoing operational and maintenance needs of their facilities.

State-backed debt will extend the useful life of current assets, expand the capacity to meet student needs, or further competitive advantages.

Community College Process



University Process



- For the colleges, projects are ranked with the institutions via a capital review committee.
- For the universities, projects are ranked by HECC staff using a Commission-adopted rubric.

2021-23 College Rubric

Administrative Rule Criteria
(1-51 points)

Presidents' Strategic Review
Criteria (1-25 points)

Due Diligence Criteria
(1-24 points)

2021-23 University Rubric

Strategic Capital Development Plan
(1-52 points)

Operational Savings and Sustainability
(1-8 points)

Life safety, Security or Loss of Use
(1-10 points)

Institutional Priority
(1-5 points)

Student Success for Underserved
Populations (1-10 points)

Leveraging Institutional Resources
(1-15 points)

Detailed rubrics are included in the appendix.

Community College Capital Request (GRB)

2021-23 Biennium, in \$ millions

| Priority and College | | Project | XI-G Bonds | Institutional Funds | Total Project Cost |
|----------------------|---------------|-----------------------------------|---------------|---------------------|--------------------|
| 1 | Tillamook Bay | New CTE Building and Renovations | \$8.0 | \$14.6 | \$22.6 |
| 2 | Rogue | Transportation Technology Complex | \$7.0 | \$7.7 | \$14.7 |
| 3 | Linn-Benton | Agricultural Center | \$8.0 | \$8.0 | \$16.0 |
| 4 | Chemeketa | Building Seven Remodel | \$8.0 | \$8.0 | \$16.0 |
| 5 | Klamath | Childcare Learning Complex | \$1.5 | \$1.5 | \$3.0 |
| | | TOTALS | \$32.5 | \$39.8 | \$72.3 |

Strategic Capital Development Plan – Public Universities

To provide a high-level summary of state capital needs for public universities based on demographic, economic, industry, and other environmental factors

- Developed by outside experts
- Completed October 2019
- Four main recommendations and seven key findings

Main Recommendations

Invest in capital renewal and improvement

Incentivize collaboration

Define institutional roles and missions

Improve capital planning practices

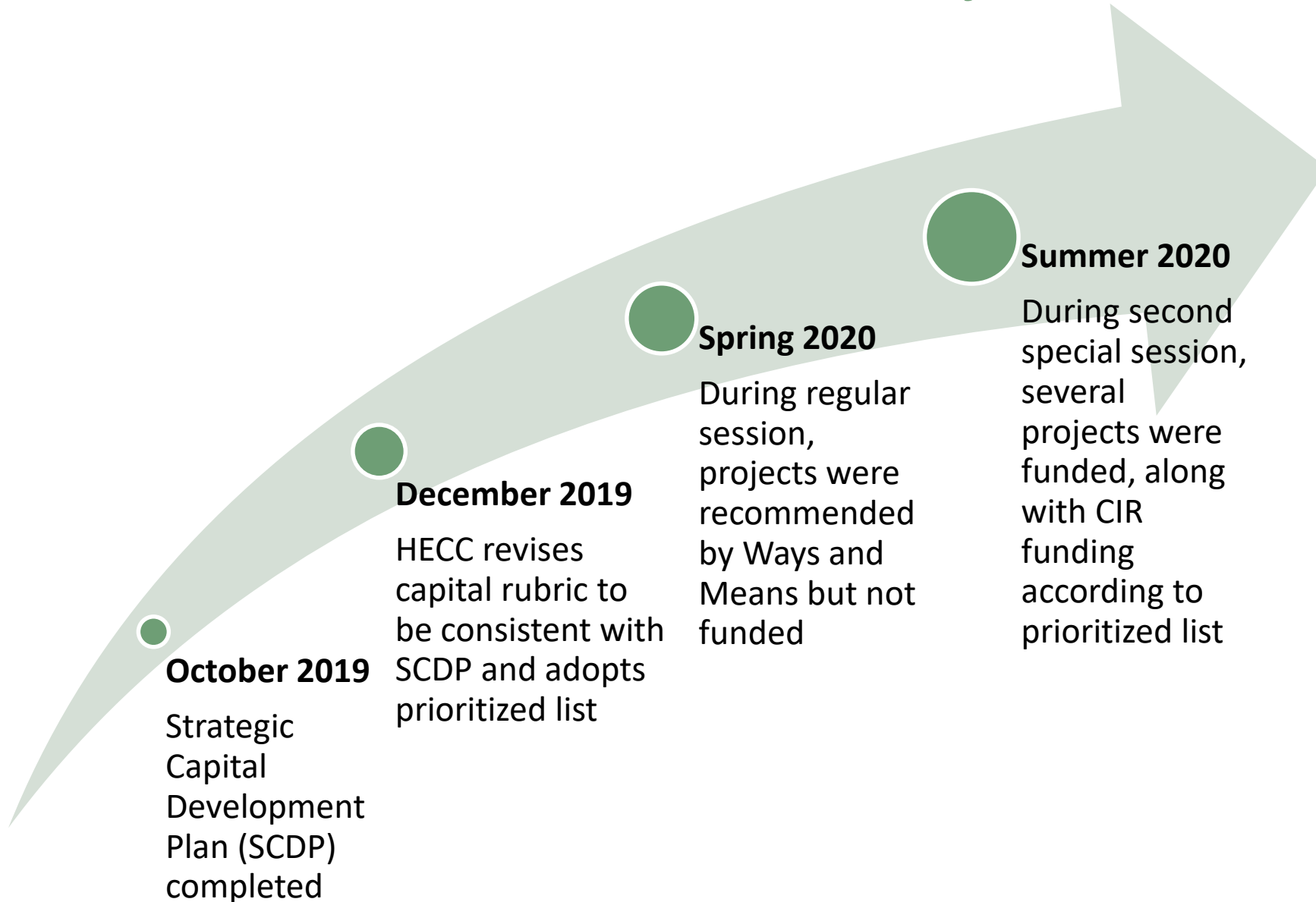
Rubric Changes

Based on the plan, HECC revised the rubric to place more focus on:

- Renewal and repair of existing facilities
- Success of underserved students
- Addressing deferred maintenance
- Collaboration

The full report can be found on our [website](#).

2019-21 Biennium Timeline and Projects



Projects Submitted

- Aligned with SCDP on improvement and replacement
- Focused on STEM and student success
- \$91.4 million in institutional matching
- \$230.6 million in eliminated deferred maintenance

Progression of Prioritized 2019-21 Public University Projects

| Priority | Institution | Project | State | Institution | Total | 2020 Regular Session, W&M Rec | 2020 2nd Special, Funded |
|---------------|-------------|-----------------------------------|--------------------|-------------------|--------------------|-------------------------------|--------------------------|
| 1 | OSU | Cordley Hall Renovation, Phase II | 28,000,000 | 28,000,000 | 56,000,000 | | |
| 2 | OIT | Boivin Hall Rehabilitation | 19,285,000 | 1,015,000 | 20,300,000 | X | X |
| 3 | PSU | SB1 Renovation & Expansion* | 60,000,000 | 7,500,000 | 67,500,000 | X | X |
| 4 | WOU | Student Success Center | 21,340,000 | 660,000 | 22,000,000 | X | |
| 5 | UO | Huestis Hall Deferred Maintenance | 57,240,000 | 6,360,000 | 63,600,000 | X | X |
| 6 | OSU | Arts and Education Complex | 35,000,000 | 35,000,000 | 70,000,000 | X | X |
| 7 | OSU-CC | Student Success Center | 12,900,000 | 5,000,000 | 17,900,000 | X | |
| 8 | WOU | Health Science Remodel | 48,015,000 | 1,485,000 | 49,500,000 | | |
| 9 | EOU | Inlow Hall Renovation, Phase II | 10,600,000 | - | 10,600,000 | | |
| 10 | SOU | Music Renovation & DMC Addition | 13,650,000 | 450,000 | 14,100,000 | | |
| 11 | SOU | Britt Phase II DM & Creative Inst | 4,700,000 | 50,000 | 4,750,000 | | |
| 12 | WOU | Performing Arts Remodel | 16,005,000 | 495,000 | 16,500,000 | | |
| 13 | WOU | PE Addition & Remodel | 30,264,000 | 936,000 | 31,200,000 | | |
| 14 | EOU | Grand Staircase Replacement | 3,000,000 | 80,000 | 3,080,000 | | |
| 15 | OSU-CC | Land Development - Area 2 | 16,665,000 | 835,000 | 17,500,000 | | |
| n/a | SOU | Cascade Hall Demolition | - | 3,500,000 | 3,500,000 | X | |
| TOTALS | | | 376,664,000 | 91,366,000 | 468,030,000 | | |

*\$52.5 million of XI-Q funding was appropriated

Note: Seven projects were recommended for funding by Ways and Means during the 2020 regular session. Four projects were funded during the 2020 2nd Special Session.

Prioritized 2021-23 Public University Projects

| Institution | Rank (points) | Project | XI-Q | XI-G | Institutional Funds | Total Project Cost |
|---------------|---------------|-----------------------------------------|--------------------|-------------------|---------------------|--------------------|
| WOU* | 91 | Student Success Center | 21,340,000 | - | 660,000 | 22,000,000 |
| OSU-CC* | 84 | Student Success Center | 7,900,000 | 5,000,000 | 5,000,000 | 17,900,000 |
| SOU* | N/A | Cascade Hall Demolition | - | - | 3,500,000 | 3,500,000 |
| All | N/A | Capital Improvement and Renewal | 80,000,000 | - | - | 80,000,000 |
| PSU | 99 | The Gateway Center Reuse and Extension | 45,000,000 | 5,000,000 | 5,000,000 | 55,000,000 |
| OSU | 98 | Cordley Hall Renovation Phase II | 61,000,000 | 25,000,000 | 57,000,000 | 143,000,000 |
| EOU | 95 | Inlow Hall Renovation Phase II | 17,700,200 | 564,900 | 564,900 | 18,830,000 |
| UO | 94 | Heritage Renovation Project | 52,650,000 | 5,850,000 | 5,850,000 | 64,350,000 |
| EOU | 90 | Loso Hall Renovation Phase II | 27,006,000 | 862,000 | 862,000 | 28,730,000 |
| SOU | 89 | Music Hall Renovation | 13,650,000 | - | 450,000 | 14,100,000 |
| WOU | 87 | Health Sciences Remodel | 49,500,000 | 742,500 | 742,500 | 50,985,000 |
| SOU | 84 | Britt Hall - Phase 2 DM | 4,700,000 | - | 50,000 | 4,750,000 |
| WOU | 80 | New P.E. Remodel | 19,400,000 | 300,000 | 300,000 | 20,000,000 |
| OSU | 76 | Collaborative Innovation Complex | - | 50,000,000 | 50,000,000 | 100,000,000 |
| OIT | 73 | Learning Resource Center Rehabilitation | 19,035,000 | 607,500 | 607,500 | 20,250,000 |
| OSU | 35 | Phase 2 Remediation & Campus Infra. | 15,830,000 | 835,000 | 835,000 | 17,500,000 |
| OIT | 22 | Campus Infrastructure | 18,000,000 | - | - | 18,000,000 |
| TOTALS | | | 452,711,200 | 94,761,900 | 131,421,900 | 678,895,000 |

* Holdover project from 2019-21 biennium not included in ARB. SOU's Cascade Hall demolition is ineligible for bonding.

Note: Three projects recommended by Ways and Means during 2020 but not funded during the special session were added to the list of projects for 2021-23 to be considered for the GRB.

Public University Capital Request (GRB)

2021-23 Biennium, in \$ millions

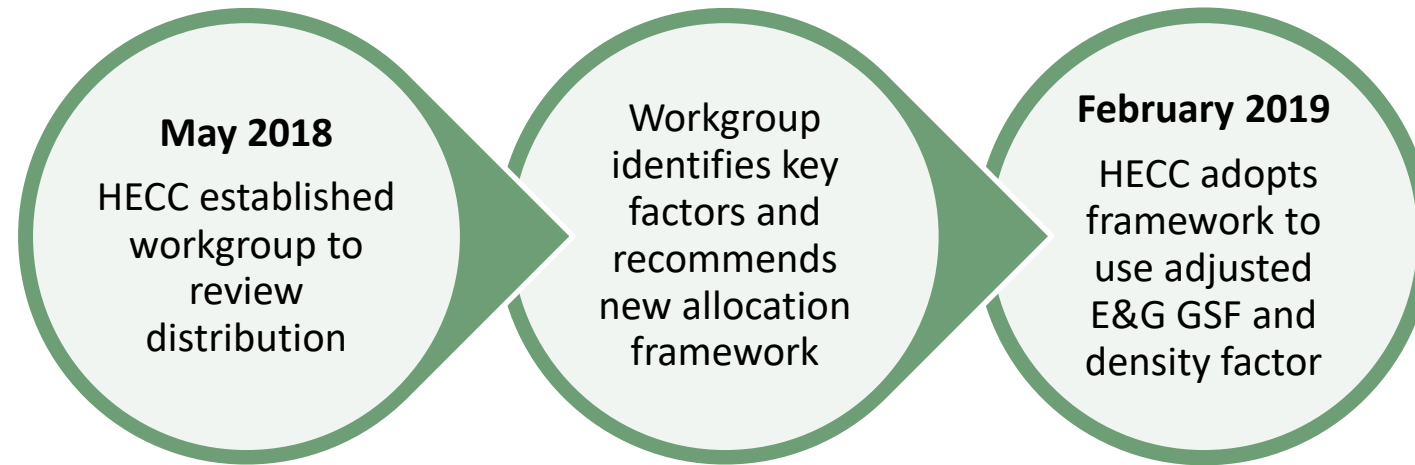
| Priority and University | | Project | XI-Q Bonds | XI-G Bonds | Institutional Funds | Total Project |
|-------------------------|---------|------------------------------------|----------------|---------------|---------------------|----------------|
| 1 | All | Capital Improvement and Renewal | \$80.0 | - | - | \$80.0 |
| 2 | OSU-CC* | Student Success Center | \$7.9 | \$5.0 | \$5.0 | \$17.9 |
| 3 | PSU* | Gateway Center Reuse and Extension | \$45.0 | \$5.0 | \$23.0 | \$73.0 |
| 4 | OSU | Cordley Hall Renovation, Phase II | \$61.0 | \$25.0 | \$57.0 | \$143.0 |
| 5 | EOU | Inlow Hall Renovation, Phase II | \$17.7 | \$0.6 | \$0.6 | \$18.9 |
| 6 | UO | Heritage Renovation Project | \$52.6 | \$5.9 | \$5.9 | \$64.4 |
| | | TOTALS | \$264.2 | \$41.5 | \$91.5 | \$397.2 |

Notes: For OSU, the GRB mistakenly included the OSU Phase II remediation project but intended to include the OSU-Cascades Student Success Center project instead. The PSU Gateway Center Project includes a request for XI-F bonds that was not included in the GRB but represented in institutional funds above.

Capital Improvement and Renewal (CIR) Funding

Provides critical state funding to address:

- Current capital improvements
- Code compliance
- ADA and safety-related projects
- aka “Deferred maintenance”



Recommendation: Increase funding from \$65M to \$80M consistent with SCDP as top priority.

Current Distribution Components

| | 2020 E&G GSF | 2020 E&G GSF Adjusted | Density Factor (GSF/FTE) |
|--------------|-------------------|-----------------------|--------------------------|
| EOU | 663,541 | 663,189 | 273.6 |
| OIT | 714,599 | 660,328 | 183.9 |
| OSU | 6,700,114 | 5,864,734 | 178.6 |
| PSU | 2,569,362 | 2,068,136 | 98.3 |
| SOU | 1,168,916 | 1,102,481 | 238.7 |
| UO | 4,336,123 | 3,764,412 | 129.1 |
| WOU | 802,102 | 683,722 | 140.0 |
| TOTAL | 16,954,757 | 14,807,002 | 150.3 |

- E&G space is adjusted to remove facilities newly constructed or renovated over past five years
- The density factor is based on students, faculty and staff divided by available space
- A weighted density factor combines adjusted E&G space and density to allocate funding
- Distribution is 85% adjusted E&G GSF and 15% weighted density

CIR Workgroup Charter

Membership

- PFC capital staff
- Institution representatives
- DAS Capital staff
- Oregon Council of Presidents representative

Expectations

- Review and discuss annual submissions
- Recommend framework changes
- Collaborate on facilities condition assessments
- Develop best practices and standard definitions



Appendix

Appendix: 2021-23 Community College Capital Rubric

Administrative Rule Criteria (1-51 points)

- 10 pts – Serves an instructional purpose
- 10 pts – Meets an important, demonstrated need
- 10 pts – Meets facilities need that can't be addressed
- 7 pts – Serves to complete a comprehensive facility
- 7 pts – Meets important, articulated objective of the college
- 7 pts – Reflects evidence of local needs assessment

Presidents' Strategic Review Criteria (1-25 points)

- 5 pts – Addresses safety and security on campus?
- 5 pts – Meets occupation, community or economic need?
- 5 pts – Includes collaboration?
- 5 pts – Intention to meet sustainability standards?
- 5 pts – Does the project support student services/spaces?

Due Diligence Criteria (1-24 points)

- 10 pts – Statement of need and statement of solution
- 5 pts – Facility features including gross square footage
- 3 pts – Costs including planning and programming
- 6 pts – Schedule, planning and financial considerations

Appendix: 2021-23 Public University Capital Rubric

Strategic Capital Development Plan
(1-52 points)

- 24 pts – Space renewal, workforce or completion priorities
- 12 pts – Addressing deferred maintenance issues
- 8 pts – Support research & economic development
- 8 pts – Collaboration with interested parties

Operational Savings and Sustainability
(1-8 points)

- Does the project reduce operational costs, support continued efficiency or increase the sustainability of the facility?

Life safety, Security or Loss of Use
(1-10 points)

- Does the project meet life, safety and code compliance needs of mission critical items or improve the security of the facility?

Institutional Priority
(1-5 points)

- What's the priority within the existing master plan?

Student Success for Underserved Populations
(1-10 points)

- How will the project impact the success of students from underserved populations?

Leveraging Institutional Resources
(1-15 points)

- Is the project funded by a campus match or pledged resources?