

Docket Item:

10-year Strategic Capital Plan Update

Summary:

This docket item contains an overview of HECC's contract for developing a 10 year Strategic Capital Plan, and an update on work that has occurred over the past few weeks, including round one site visits, the presentation of testimony to the Capital Construction Subcommittee, and planning for round two sit visits.

Docket Material:

The HECC's contract with SmithGroup dictates that the contractor shall develop a strategic capital development plan by leveraging proven comprehensive capital needs analysis and demographic trends. The contract totals \$775,760 and concludes September 30, 2019 (see the Appendix to this document for more details).

During the periods of April 15 - 19 and April 29 - May 3, HECC staff and the contractor conducted the first round of site visits to all seven Oregon public universities. During these visits, the team conferred with internal stakeholders from each university, including institutional research, enrollment, student affairs, facilities and finance staff. Work focused on validating submitted data including course data, enrollment projections, etc.

The discussions focused on the context related to the data being collected. For example, the consultants were interested in learning more about the usage of facilities. If a facility was underutilized, we wanted to understand why and whether or not that was a strategy in service of a larger goal. Or if a facility was over utilized, the same questions applied.

Discussion also focused on enrollment projections. Specifically we were interested in the basis for the projections and how they translated in to capital needs. Since enrollment is a key contributor to understanding future service levels, we strived to understand those projections as future service levels are key to establishing future space needs.

The second week of the first round of visits concluded on May 3. That day, HECC staff and the consultants also presented to the Capital Construction Subcommittee of the Ways and Means Joint Committee, providing:

- A review of the HECC's role in prioritizing and recommending capital construction projects for universities and community colleges,
- A summary of the capital improvement and renewal allocation methodology for the universities,
- A discussion of the rubric used to prioritize university capital construction projects; and
- An overview of the ten year strategic capital development plan.

The second round of site visits to universities will occur during a two-week period in June as follows:

Monday, June 10 –Oregon Institute of Technology
Tuesday, June 11 –Southern Oregon University
Wednesday, June 12 –University of Oregon

Thursday, June 13 – Portland State University
Tuesday, June 25 – Eastern Oregon University
Wednesday, June 26 – Oregon State University Cascades
Thursday, June 27 – Western Oregon University
Friday, June 28 – Oregon State University

The universities will be coordinating the visits but the intent is to provide an opportunity to collect external stakeholder input. The visits will be a town hall style set of meetings on each university campus. The proposed agenda for each visit is outlined below:

Proposed Agenda

8:00-10:00am

Educators from Host Campus

(President, Provost, Workforce Development, Student Affairs, VPFA, etc.)

Topics:

- Review of data
- Enrollment assumptions/projections and characteristics
- Workforce needs
- Changes in the region not necessarily evident in the data

10:30-12:30pm

Business/Community Leaders

(CEOs, Chamber, Mayor/County Exec, State legislator, Other Educational)

Topics:

- Review of data
- Changes in the region
- Unmet needs in the workforce, community support/development

12:30-1:30pm Lunch

1:30-3:00pm Economic and Workforce Development

(Regional workforce, economic development, mayoral/county staff)

Topics:

- Review of data/discussion
- Changing industry mix and implications for workforce needs

Staff Recommendation:

No action recommended, discussion only.

Appendix**Summary of Contract – Strategic Capital Development Plan****General Terms**

Contract begins February 6, 2019 and ends September 30, 2019. Total contract cost is \$775,760. The contract is with SmithGroup, specifically their campus planning and analytics group. They are one of the nation's leading design and planning firms with experience on over 700 campuses around the country. Funding for the project came from within the agency's legislatively-approved professional services budget.

Summary of Project

Contractor shall develop a strategic capital development plan by leveraging proven comprehensive capital needs analysis and demographic trends. The plan shall consist of a collaborative process which includes the universities and other stakeholders. The plan shall contemplate the holistic capital needs of the State and the best approach to achieve state goals for higher education thus creating a consistent approach. The plan shall provide the HECC with both a forward-looking basis for prioritization and an opportunity to take the broad view of higher education investments.

Summary of the Statement of Services**Section 1 – Services Generally**

Contractor shall collaborate with the HECC to best meet its needs and shall consider any previous program plans and campus-wide studies as well as state-wide systems in the development of the plan.

Section 2 – Kick Off Meeting and Communication Plan

Contractor shall attend F&A meeting on February 6, 2019 and shall facilitate a kick-off meeting with the HECC to discuss roles and responsibilities.

Section 3 – Data Collection and Analyses

Contractor shall obtain data including existing capital plans and other baseline data, building inventory, facilities inventory, course data, staffing data, research data, student data, and other data including enrollment projections. Contractor shall assess, validate and conduct a thorough analysis of the data. Contractor shall engage stakeholders and conduct outreach to industry and local entities to help inform program alignment with market needs.

Section 4 – Comprehensive Strategic Capital and Academic Plans Assessment

Contractor shall conduct a high-level capital needs assessment that will assess space capacity, existing space utilization, special facilities and infrastructure that may include benchmarking to peers. This work includes two on-site stakeholder meetings at each campus. Contractor shall conduct analysis focusing on each university's external environment. Contractor shall consider space utilization to identify potential opportunities and deficiencies.

Section 5 – Statewide Needs Assessment

Contractor shall develop an assessment of state need based on all available data and best practices. Contractor shall analyze demographic trends, enrollment trends, credential production, job demand, and the impact of technology on instructional delivery with the purpose of determining what occupations will be in demand. Contractor shall estimate future needs of employment. Contractor shall align data to inform strategic decisions regarding campus growth scenarios, locations of campuses and centers, and new programmatic offerings. It is anticipated that up to 15 statewide maps will be provided.

Section 6 – HECC Strategic Plan Alignment

Contractor shall substantially and appropriately align with the HECC's strategic plan.

Section 7 – The Plan

Contractor shall develop a strategic capital development plan that targets the Oregon public university capital portfolio through 2029 and shall provide a summary of capital needs based on demographic, economic, industry, and other related environmental factors. The plan shall describe the existing and potential future capital portfolio by region according to ideal usage and utilization, estimating space need for different broadly defined academic disciplines. Contractor shall develop the plan based on current and future economic and workforce needs.

Specifically the contractor shall:

- Consider recent research on student learning
- Apply Tinto's theory¹ of student retention during their assessment of space needs
- Forecast the postsecondary credential production requirements associated with meeting state goals
- Provide a comparison of the supply of graduates with the demand of current and forecasted job openings
- Use findings of environmental scans to identify opportunities for future program development
- Analyze national and statewide trends currently shaping workforce talent
- Analyze enrollment trends with a strategic focus on new student enrollment and the retention of currently enrolled students
- Develop an overview of the region's economy and educational talent pipeline to understand the alignment between available talent and the needs of employers
- Shall provide existing and potential future capital portfolios according to ideal usage and utilization including space need by academic discipline and degree level

¹ Vincent Tinto is a professor at Syracuse who wrote a book in 1993 called *Leaving College*. In it he proposed a theory that compares the withdrawal from college to the idea of leaving society resulting from a failure of the student and the campus to create a sense of belonging for the student.