

# SMITHGROUP

## HIGHER EDUCATION COORDINATING COMMISSION STRATEGIC CAPITAL DEVELOPMENT PLAN

### CONCLUSION: INVEST IN CAPITAL IMPROVEMENT AND REPLACEMENT

#### TEAM

SmithGroup | NCHEMS | Economic Modeling Specialists International

#### PRESENTATION AGENDA

- Process Overview
- Key Findings
- Recommendations
- Discussion

#### PROCESS

#### KEY FINDINGS

1. Achieving the 40% goal of baccalaureate and above in the 40-40-20 plan is not dependent on significant capital investments in new physical facilities, but investments in capital renewal may accelerate progress toward that goal by addressing deficiencies in existing facilities
2. Enrollment history and future demographics do not forecast statewide capacity issues
3. There are Statewide needs in STEM and Health Occupations
4. Utilization analysis and space needs assessments also indicate some room for growth, though specific program areas may need localized attention
5. Existing facility assets have serious age, quality, and suitability issues that compromise both efficiency and effectiveness
6. Institution role and mission are not well defined; they lack clarity regarding mission differentiation for some institutions; additional space needs largely depend on this
7. Statewide and institutional capital planning practices are not fully aligned with best practices

#### RECOMMENDATIONS

1. Invest in Capital Improvement and Replacement
2. Incentivize collaboration and shared or on-line programming in ways to reduce demands for new space
  - Pay particular attention to the incentives in the resource allocation model and modify the model to reward improved service delivery and cost effectiveness

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3. Improve and enhance the institutional planning process
  - a. Address strategic statewide program needs
  - b. Coordinate and encourage alternative collaborative program delivery
  - c. Promulgate a coordinated and strategic approach to institutional enrollment management
  - d. Define terms for capital planning and embrace a broader definition of capital investment
  - e. Add professional staff at HECC with architectural/engineering or facilities experience
  - f. Require and/or fund facility space inventories and management; encourage development of uniform utilization standards
  - g. Develop and maintain facility condition assessments which account for both functionality and suitability to inform asset management goals
  - h. Require that all capital project proposals include an analysis of long term operating impacts, including maintenance and renewal costs, as well as project alternatives
  - i. Fine tune the capital funding prioritization process
  
4. Define institutional role and mission

## DISCUSSION