



Tab 17

Capital Improvement Process Survey

Coordinating Board for Higher Education
December 11, 2019

BACKGROUND

The Coordinating Board for Higher Education (CBHE) has the statutory responsibility to recommend funding for higher education facilities at Missouri's community colleges, State Technical College, and public four-year universities. The CBHE has historically used categories established by the Office of Administration when developing a system by which to consider project proposals; the categories include, renovation and rehabilitation, corrective construction, energy conservation, and new construction. These categories are the foundation of the CBHE policy statements used during the consideration of capital improvement proposals. As CBHE's goal is to provide a coordinated, balanced, and cost-effective delivery system of higher education, these policy statements are specifically considered with analyzing an institution's proposal for use of existing facilities, space utilization, and the necessity of renovations and/or new construction. The policy statements are as follows:

1. All proposed projects should be congruent with both the mission of the institution within the system of Missouri higher education and the respective mission implementation plans as reviewed by the Coordinating Board. Campus facility master plans should address this congruence within a five-year projection of facility requirements for the institution based on enrollment and program needs. The campus master plan, including enrollment trends and projections, will therefore serve as the reference point for documenting facility needs
2. Corrective construction and renovation and rehabilitation should, in most instances, precede new construction projects in priority. An institutional decision to retain a facility constitutes an ongoing commitment to bring that facility up to a good condition and to maintain it. Modernization of classrooms and laboratories to incorporate appropriate technology should be an institutional and Coordinating Board priority.
3. The addition of new square feet typically requires an ongoing financial commitment for campus security, fuel and utilities, maintenance and repair, etc. Absent justification for additional space based on enrollment change, a direct relationship to an approved mission change or enhancement, and/or the identification of available operational and maintenance funding, an increase in any institution's total square footage should be avoided.
4. Projects providing program accessibility to buildings for individuals with physical disabilities shall have a high priority.
5. The overall condition of a facility must be considered when evaluating the appropriateness of renovation and the prioritization of capital projects. In some cases, facilities that are in the poorest condition may more properly be candidates for demolition. In other cases, a fiscally responsible deferred maintenance decision may be more appropriate than the development of a capital request. There are other considerations, like state and campus program priorities, that override the condition of a facility in determining renovation or new construction needs.
6. Planning funds should precede funds for new construction and should be requested independently. Planning funds should be used to study several alternatives to address programmatic needs. A project which has received a prior recommendation and appropriation for planning funds will be reviewed again when construction funds are requested for the project.
7. Facilities maintained as auxiliary enterprises including, for example, student housing, parking facilities, and facilities related to intercollegiate athletics are considered to be the responsibility of the institution. State funding for construction of facilities serving a dual role involving auxiliary functions and educational and general purposes should be limited to the documented percentage of the facility serving educational and general purposes.

The Department of Higher Education and Workforce Development (DHEWD) has used the CBHE policy statements to develop a scoring rubric by which to score and rank capital improvement proposals. Those proposals are provided the Governor and General Assembly for consideration.

CURRENT STATUS

During the September 2019 CBHE meeting, DHEWD staff were asked by CBHE to assess the policy statements and determine whether these statements are still applicable under Missouri's current higher education, workforce, and economic landscape. In addition, DHEWD was asked to evaluate its capital improvement procedures and process it uses to score proposals. As part of this process, DHEWD surveyed the Missouri public institution presidents/chancellors, chief financial officers, facility directors, and general assembly staff members to provide recommendations to the capital improvement policy statements and overall process.

NEXT STEPS

Share survey results with the CBHE and seek guidance on how the Coordinating Board wishes to structure the capital improvement guiding principles and process for DHEWD's FY 2022 budget request.

RECOMMENDATION

This is an information item only.

ATTACHMENT

- Capital Improvement Results Summary



Capital Improvement Survey Summary

Survey Demographic:

Of the 116 stakeholders invited to provide feedback on the capital improvement process, 40 (34%) participated. Participants represented public institution presidents/chancellors, chief financial officers, and facility directors and general assembly representatives. The breakdown is as follows:

- Representation
 - 13 CFOs
 - 13 An institution president or chancellor
 - 9 Facilities directors
 - 3 GA members
 - 2 Other
- Public Sector Institution Participation Breakdown
 - 16 community college or state technical college
 - 20 public universities

Survey Summary:

Survey participants were asked to provide feedback on the current capital improvement policy statements, including whether the statements appropriately represent the needs of institutions. Though the degree in which respondents agreed with the policy statement varied, 85% of respondents supported keeping the current statements with modifications; these modifications include providing more focus on repair and renovation needs across institutions and adding consideration for workforce demands and needs.

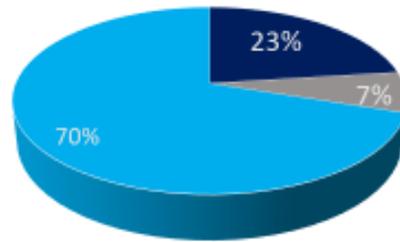
Other Capital Improvement Considerations:

Below are survey questions presented to survey participants and percentage breakdown of the responses. To note, on the question, "Are there any additional policy statement the Coordinating Board for Higher Education should include," responses were grouped into three categories.

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Every Missourian empowered with the skills and education needed for success.*

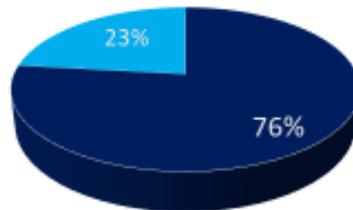
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Consider the current policy statements. Are there any additional policy statements the Coordinating Board for Higher Education should include?



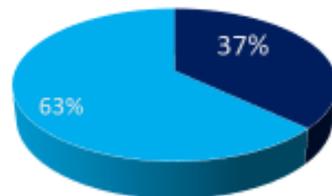
- Update Statements to Reflect Economic development/Regional Needs
- Facility Renovation Projects
- No recommendations

When a new facility is brought "online" part of that analysis includes determining whether a facility, specifically if it is outdated or underutilized, should be taken offline. Should this be a required consideration an institution should explore and document upon submitting their capital improvement projects unless enrollment growth justifies otherwise?



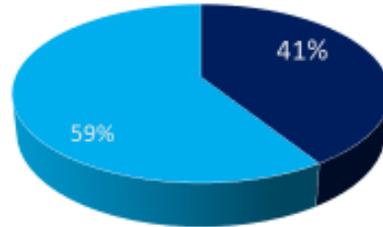
- Yes
- No

Maintenance and Repair (M&R) v. New Construction: Capital requests submitted to the DHEWD combine M&R and new construction requests. Should the department continue to score and rank these proposals to develop one capital improvement list or provide two separate lists?



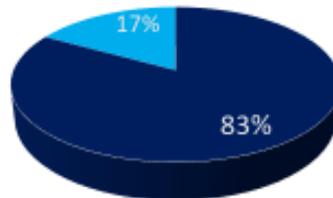
- One List
- Two Separate Lists

Should the capital improvement scoring process include only department staff or other representation?



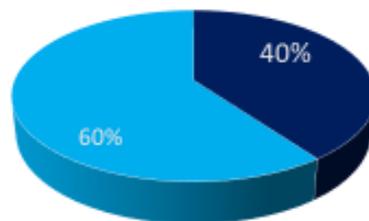
■ Other Representation ■ Department Staff Only

Should the department (and/or representatives of other organizations) continue the practice of scoring and ranking projects?



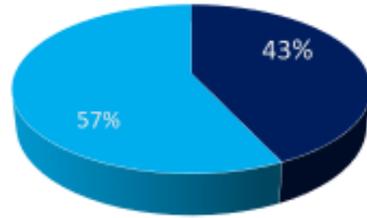
■ Yes ■ No

Should the Department of Higher Education and Workforce Development score all project proposals submitted by institutions rather than only the top priority?



■ Yes ■ No

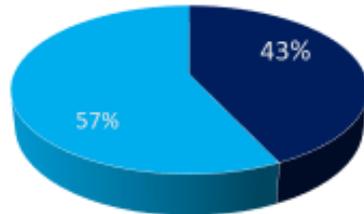
Should the department cap the total dollar amount of the cumulative submitted projects which is presented to the Coordinating Board for Higher Education for consideration?



■ Yes

■ No

Should the department place a cap on the cumulative dollar amount an institution can submit for consideration across all capital improvement proposals?



■ Yes

■ No