

May 10, 2017

MEMORANDUM

TO: State Board of Regents

FROM: David L. Buhler

SUBJECT: USHE – Capital Development Prioritization (CDP) Cycle 2018-19 – Adoption of Priority Guidelines

Issue

As part of the annual Capital Development Prioritization (CDP) process, Regent policy R741 *Capital Development Prioritization* requires the Board to establish and adopt priority guidelines which outline how the Board will evaluate proposed capital facilities projects for the next request cycle.

Background

Regent policy R741 describes the Board's process for ranking state-funded capital facility projects. The prioritization process is comprised of a quantitative analysis of institutional needs and a qualitative review of how well the proposed project addresses the Board's priority guidelines and overarching goals of the 2025 Strategic Plan. Policy requires the Board to establish annual priority guidelines for the qualitative review at the beginning of the project request cycle.

The Regents' Capital Facilities Subcommittee met in early April to review the outcomes and lessons learned from last year's CDP process and to review and establish recommended priority guidelines for the upcoming year. In consultation with the Commissioner's Staff, the Subcommittee recommends making a few adjustments to both the priority guidelines and how the Regent Priority Points are determined.

The Subcommittee recommends the following changes for this year's process:

- Simplify the priority guidelines to three primary guiding objectives;
- Establish criterion for each guiding objective using the previous priority guidelines to determine points earned;
- Rename "Guideline Points" to "Regent Criteria Points"; and
- Provide an opportunity for the full Board to participate in scoring the capital facilities requests.

First, the Subcommittee recommends restructuring the priority guidelines to encourage institutions to propose capital facilities projects that meet the following objectives:

- Supports the Board's 2025 Strategic Plan;
- Addresses necessary institution infrastructure improvements; and
- Supports emerging needs and partnerships.

Second, the Subcommittee recommends using the existing priority guideline elements to develop ten criterion conditions which support the priority guidelines as outlined above. Each criterion will be worth one point, but institutions may earn half credit if they demonstrate that they partially meet the criterion.

Third, the Subcommittee proposes to rename the Guideline Points to "Regent Criteria Points" to more accurately reflect how the points are earned.

Finally, the Subcommittee recommends including the full Board of Regents in the allocation of these ten (10) points. Institutions requesting state funding consideration for a capital development project will present their project to the full Board of Regents on Thursday, September 14, 2017. Each Board member will score the presentation according to the criteria identified in the attached guidelines. This new format will allow for greater input from the full Board by allowing each member of the Board to score and evaluate institutional capital project presentations. Board member scores will be collected anonymously and will be aggregated and averaged to produce a Regent Criteria Point score for each institutional project.

After the September institutional presentations, the Subcommittee will meet to review the Board's input on Regent Criteria points and information received from institutional tours and presentations to develop their final recommendation for the Board, including how to allocate the remaining fifteen (15) Discretionary Points. The priority guidelines for 2018-19 follow in the attachment.

Commissioner's Recommendation

The Commissioner recommends approval of the proposed guidelines for use by the Regents and institutions during the upcoming CDP cycle.

David L. Buhler
Commissioner of Higher Education

DLB/KLH/RPA
Attachment

ATTACHMENT A – Capital Development Priority Guidelines for FY 2019

Regent Priority Points – In addition to the quantitative “Scoring Points,” Regent Policy R741, *Capital Development Prioritization*, allows the Regents to award up to 25 additional points per institution to address critical USHE needs. For FY 2019, the award of Regent Priority points will be made in two steps: 1. Regent Criteria Points (up to 10 points) awarded by the full Board based on Institutional presentations and 2. Regent Discretionary Points (up to 15 points) awarded by the Capital Facilities Committee based on facility tours, institutional presentation, and capital project needs statements.

Regent Criteria Points

0-10 Points

Each institution requesting state funding consideration for a capital development project will present the project to the full Board of Regents on Thursday, September 14, 2017. Each Board member will score the presentation according to the following criteria. Board member scores will be collected anonymously and will be aggregated and averaged to produce a score for each institutional project.

Regent Criteria: Supports Strategic Plan 2025	Possible Points	Full Points	Half Points	No Points
1. The project is part of the Board approved campus master plan.	1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. The project will primarily support the expansion/enhancement of critical programs to support regional economic development.	1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. The project allows for innovative delivery of academic programs.	1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Regent Criteria: Addresses Necessary Infrastructure Improvements	Possible Points	Full Points	Half Points	No Points
1. The project will improve space utilization through the elimination of space and equipment that is functionally obsolete.	1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. The project will resolve imminent threats to daily operations.	1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. The project will result in long-term cost efficiencies through optimized use of O&M resources, reduced lease costs, and/or enhanced sustainability efforts of energy conservation and efficiencies.	1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. The project addresses and improves overall cost-effectiveness of academic programs.	1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. The project has received approval for and has completed the programming phase.	1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Regent Criteria: Supports Emerging Needs and Partnerships	Possible Points	Full Points	Half Points	No Points
1. The project leverages cost-effective partnerships with other USHE institutions, state agencies, or other external partners.	1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. The project addresses a time-sensitive emerging opportunity to enhance the State's or regional overarching economic development needs.	1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Regent Discretionary Points

0-15 Points

These points are designed to position institutions to further develop and enhance their assigned missions and roles (see R741.3.4.1). Consideration will also be given to projects that directly improve performance or achieve the goals included in the *Strategic Plan 2025*. Consideration will also be given, where deemed to be appropriate, to projects with prior approved Legislative design and programming funding.

Total Regents Points

25 Points