2018 Capital Budget Scoring Team Orientation

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WebEx Presentation

2018 Capital Budget Scoring Orientation Web Ex

- Phones will be muted during presentation
- Open for Q&A at the end
- This presentation is being recorded
- PowerPoint slide will be available online at:
- http://www.finance.mnscu.edu/facilities/capitalbudget/index.html

Overview

1. Capital budget basics
2. Strategic Framework and Capital Guidelines
3. Recent results from 2016 Capital Budget
4. Future Impacts (2017 Capital Budget)
5. 2018 Capital Budget plans
6. "All the Things You Need to Know About Scoring Projects…"

The Basics

Capital Budget – Basics

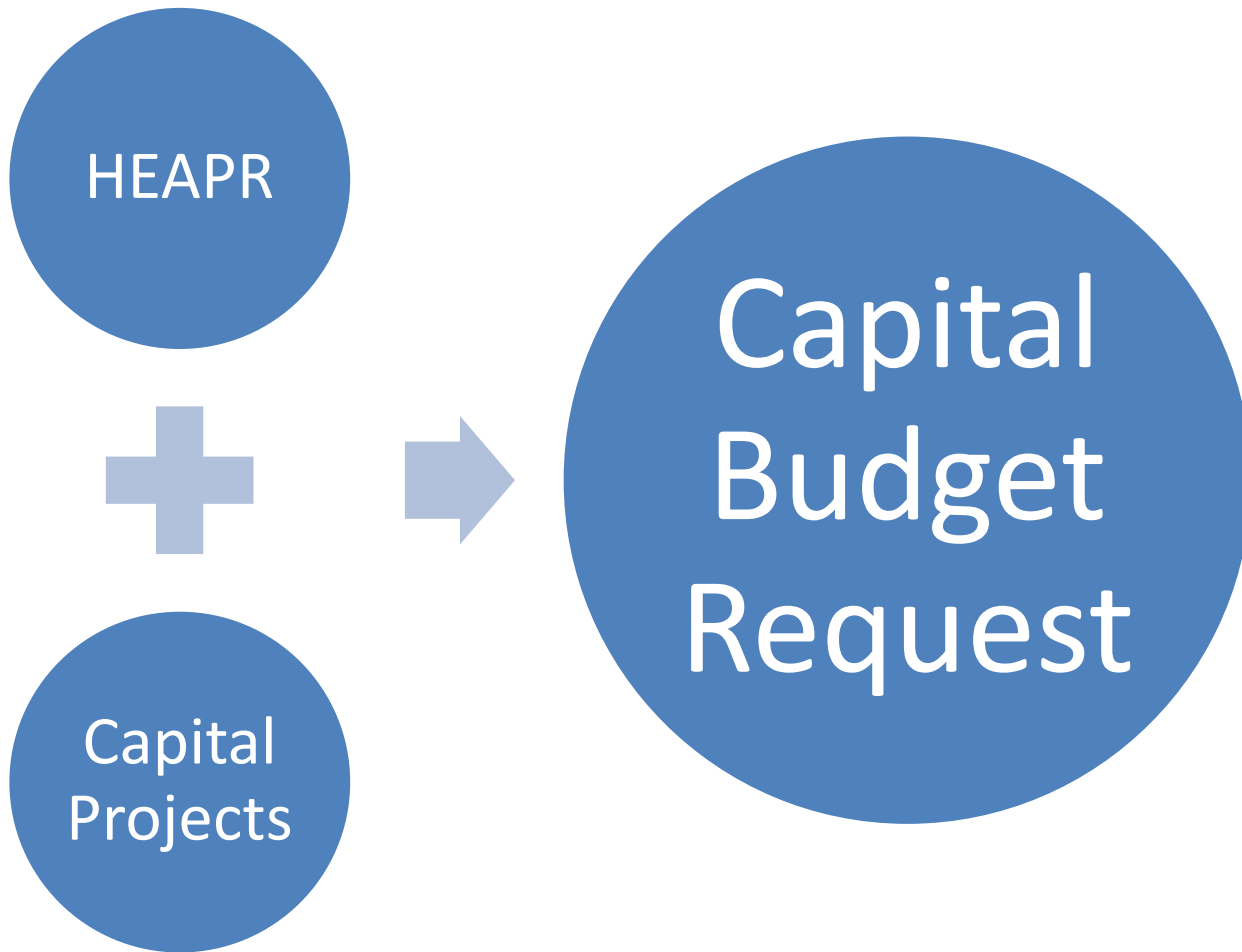Even Number Year (traditional)

Funds buildings and land
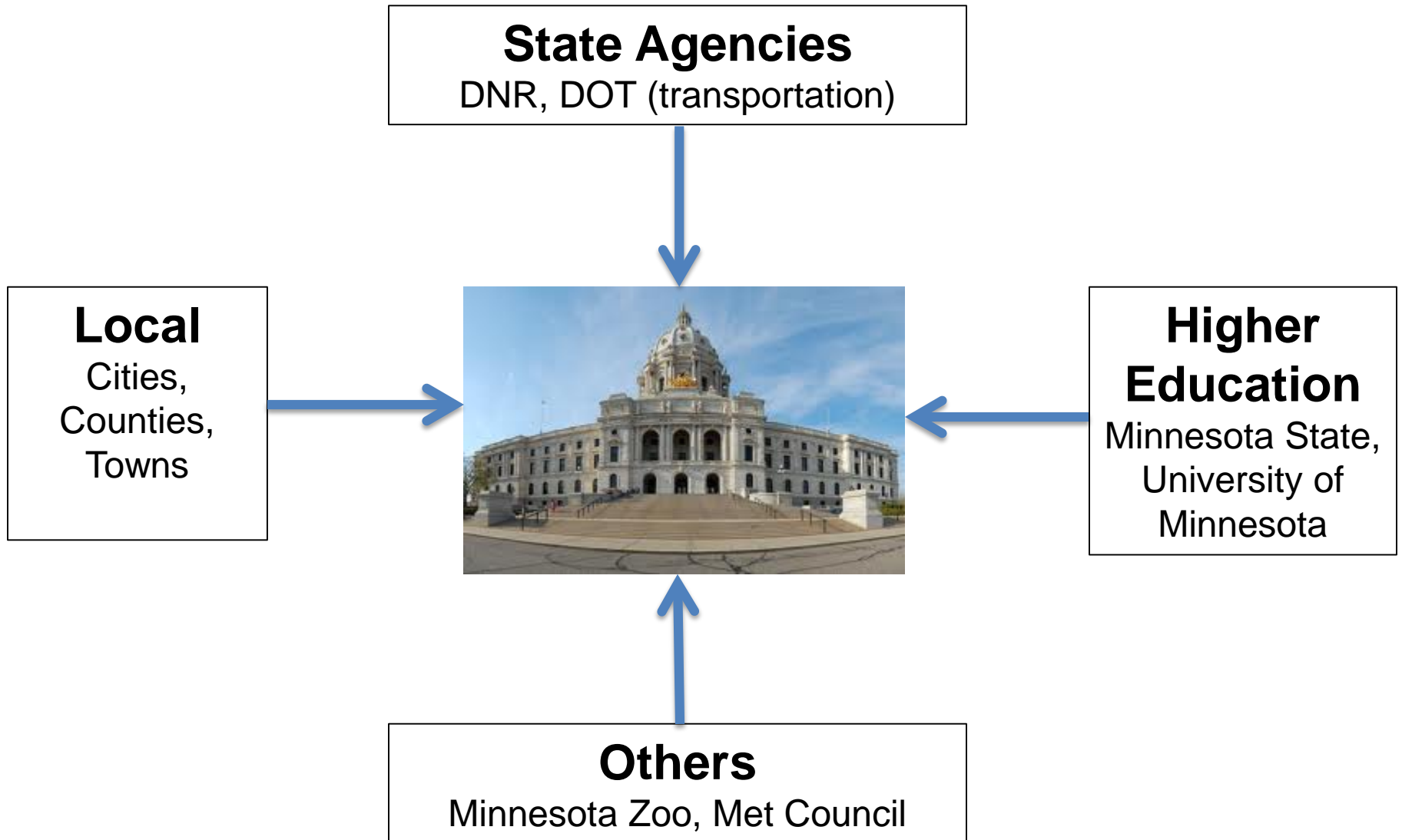
Targets $800M to $1B

Competitive

Tax Exempt General Obligation bonds

Legislative process, aka the "Bonding Bill"

Minnesota State Request

HEAPR + Capital Projects → Capital Budget Request

Capital Budget – The Competition

State Agencies
DNR, DOT (transportation)

Local
Cities, Counties, Towns

Higher Education
Minnesota State, University of Minnesota

Others
Minnesota Zoo, Met Council

Guiding Capital Budgets

Principles that inform capital budgets

State principles

Strategic Framework

Capital Budget Guidelines

Capital Budget – State Principles

- **Maintenance and preservation** of existing facilities
- **Completion** of projects that have received funding
- **Updating** facilities to meet contemporary needs
- Providing **geographic distribution** of capital projects, and
- Maximizing the use of **non-state contributions**

Minnesota State Strategic Framework

- Ensure access to an extraordinary education

- Partner of choice to meet workforce and community needs

- Deliver best value, most affordable option

2018 Capital Budget Guidelines
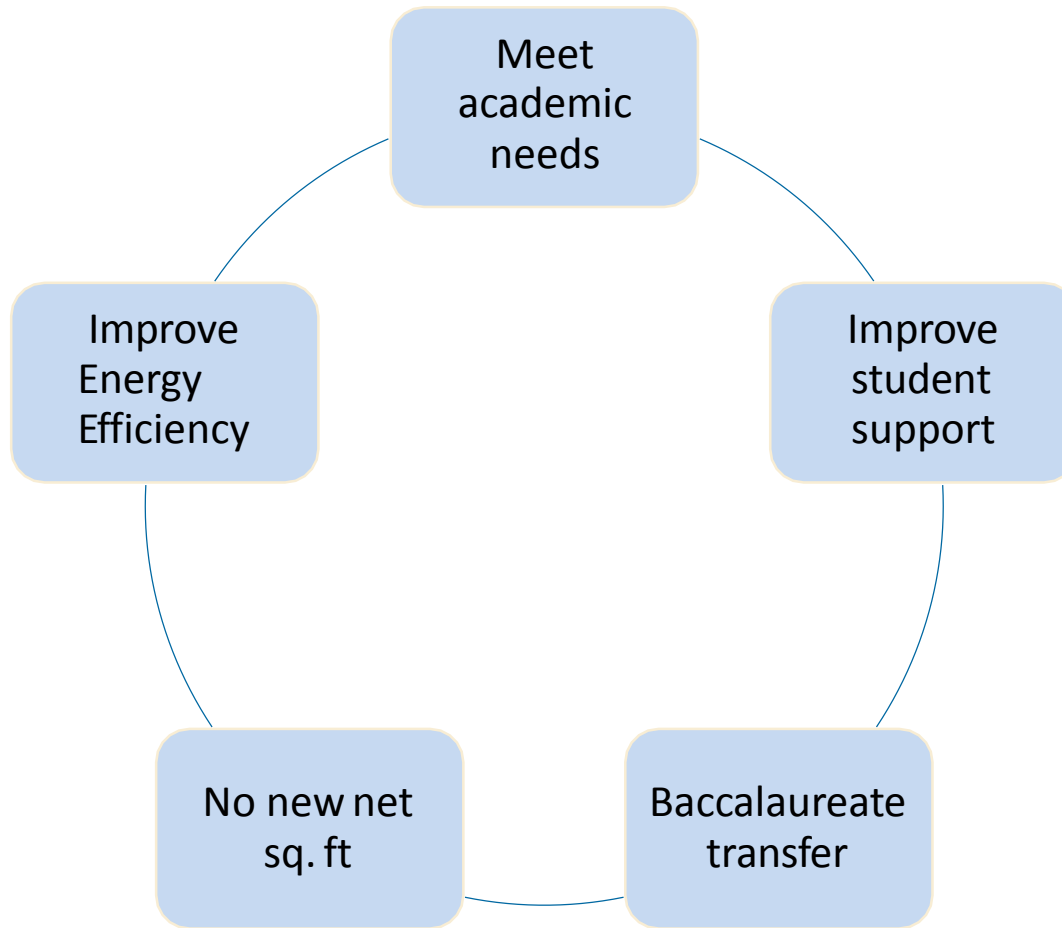
The Capital Budget Process

Capital Budget Lifecycle
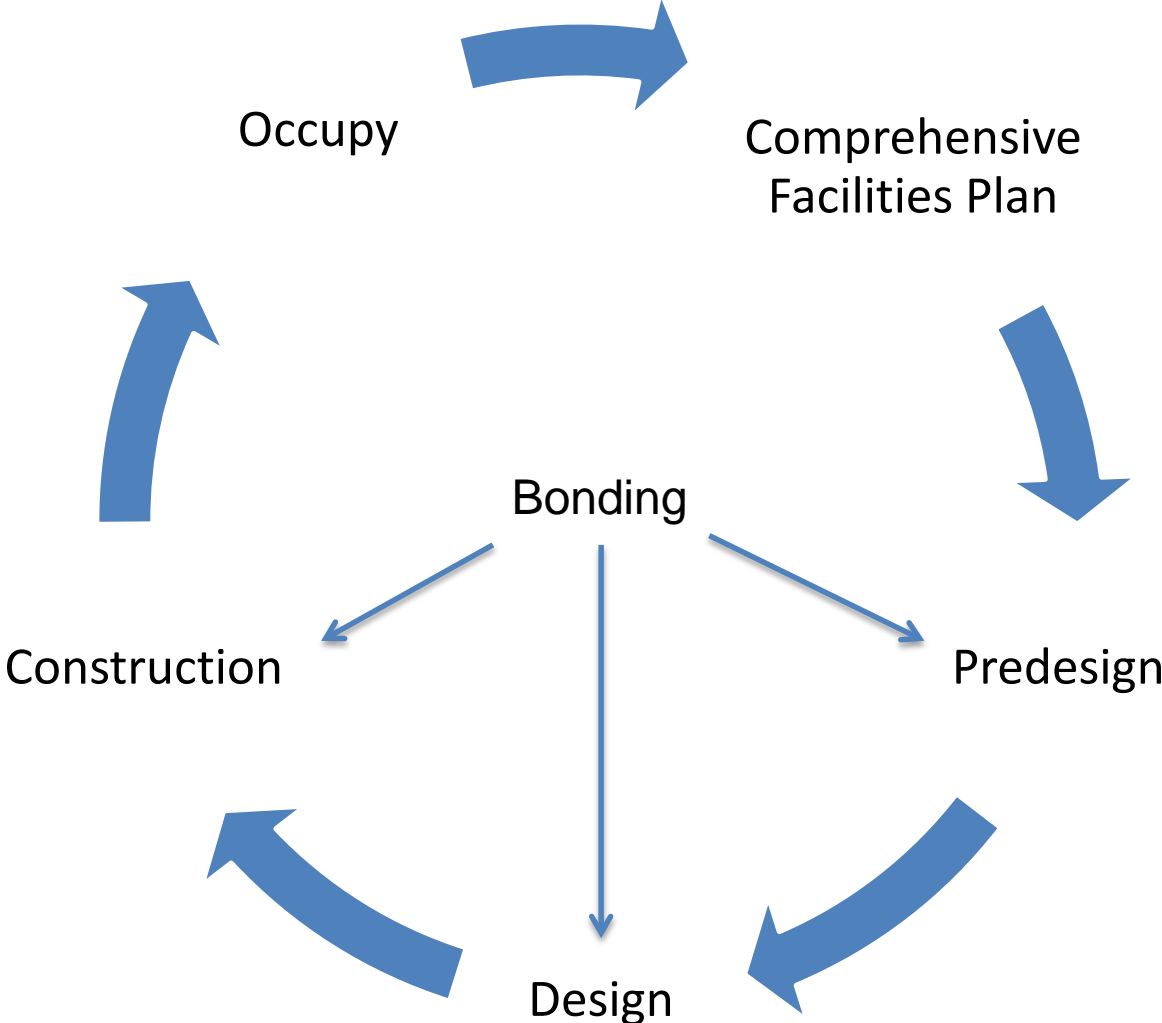
Roles in the Process

	Campuses	System Office	Board of Trustees	Governor/ Legislature
Actions	• Identifies the need • Develops the project • Operates the facility after completion	• Reviews requests • Assembles budget • Advocates for funding	• Establishes strategy • Approves budget • Submits budget to legislature and governor	• Identifies objectives • Debates bills to fund projects • Appropriates money to fund projects

Consultants and Contractors
• Design and build the improvements

2018 Capital Budget Process

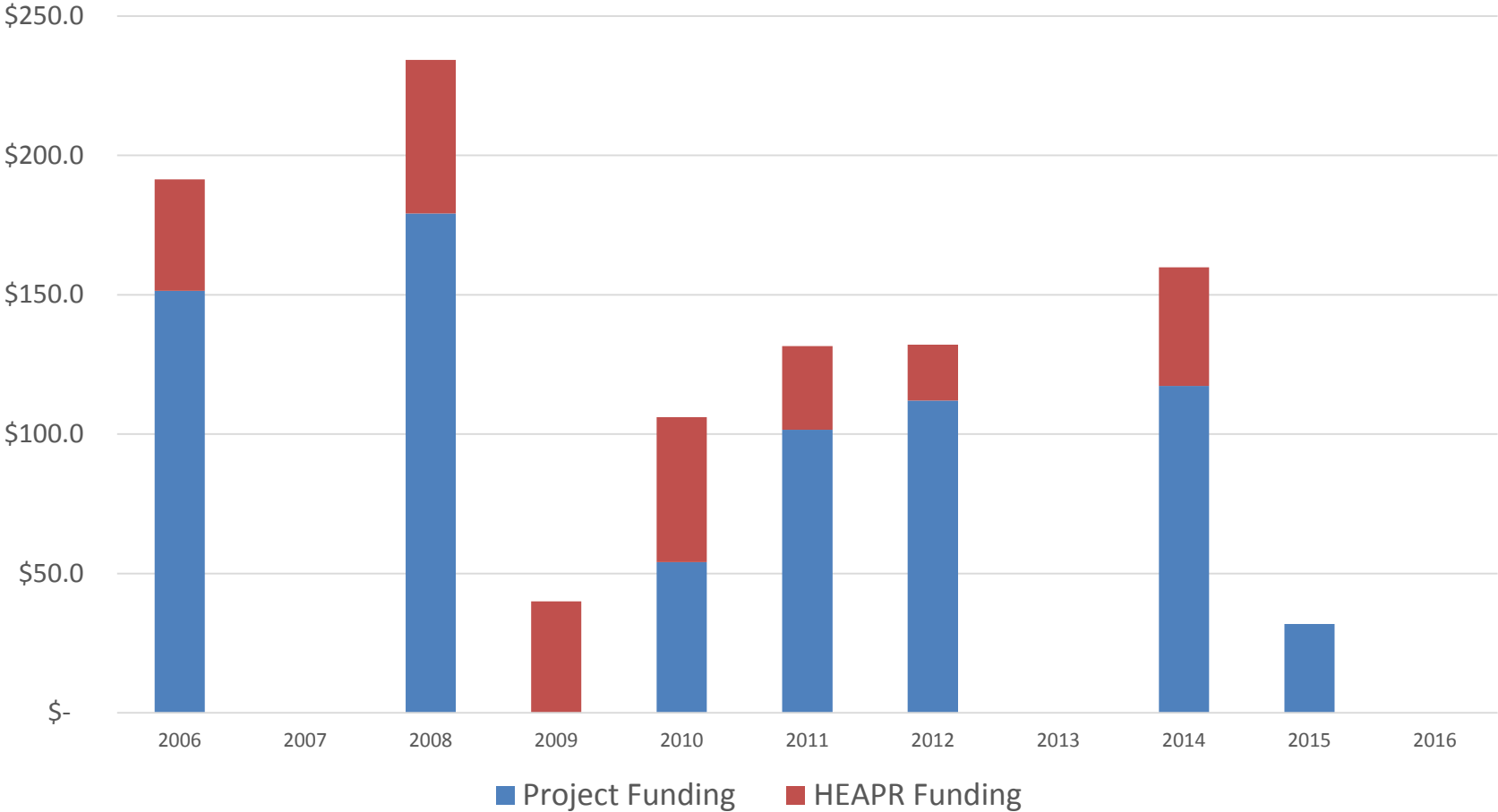Starting the process – 2018 Capital Budget Guidelines approved
3/17/2016

Legislature adjourns - Bonding Bill!
5/21/2018

2016 Mar | Jun | Sep | Dec | Mar 2017 | Jun | Sep | Dec | Mar 2018 | **2018**

Today

Predesign work — 3/17/2016 - 11/15/2016

Scoring of Projects — 1/4/2017 - 1/5/2017

Board of Trustees approves 2018 Capital Budget List — 5/1/2017 - 6/21/2017

Legislative Tours of Campus Projects — 8/1/2017 - 12/30/2017

Legislative Session — 1/1/2018 - 5/21/2018

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Recap of Recent Capital Requests

2016 Capital Budget did not pass

- **Minnesota State asked for:**
  - **$254.5 million total**
    - $110 million (HEAPR)
    - $154 million (projects)

- **Minnesota State got:**
  - **$0**

Capital Budget – Request vs. Funded

2016 - 1st time in 10 years no bonding bill passed during a "bonding" year

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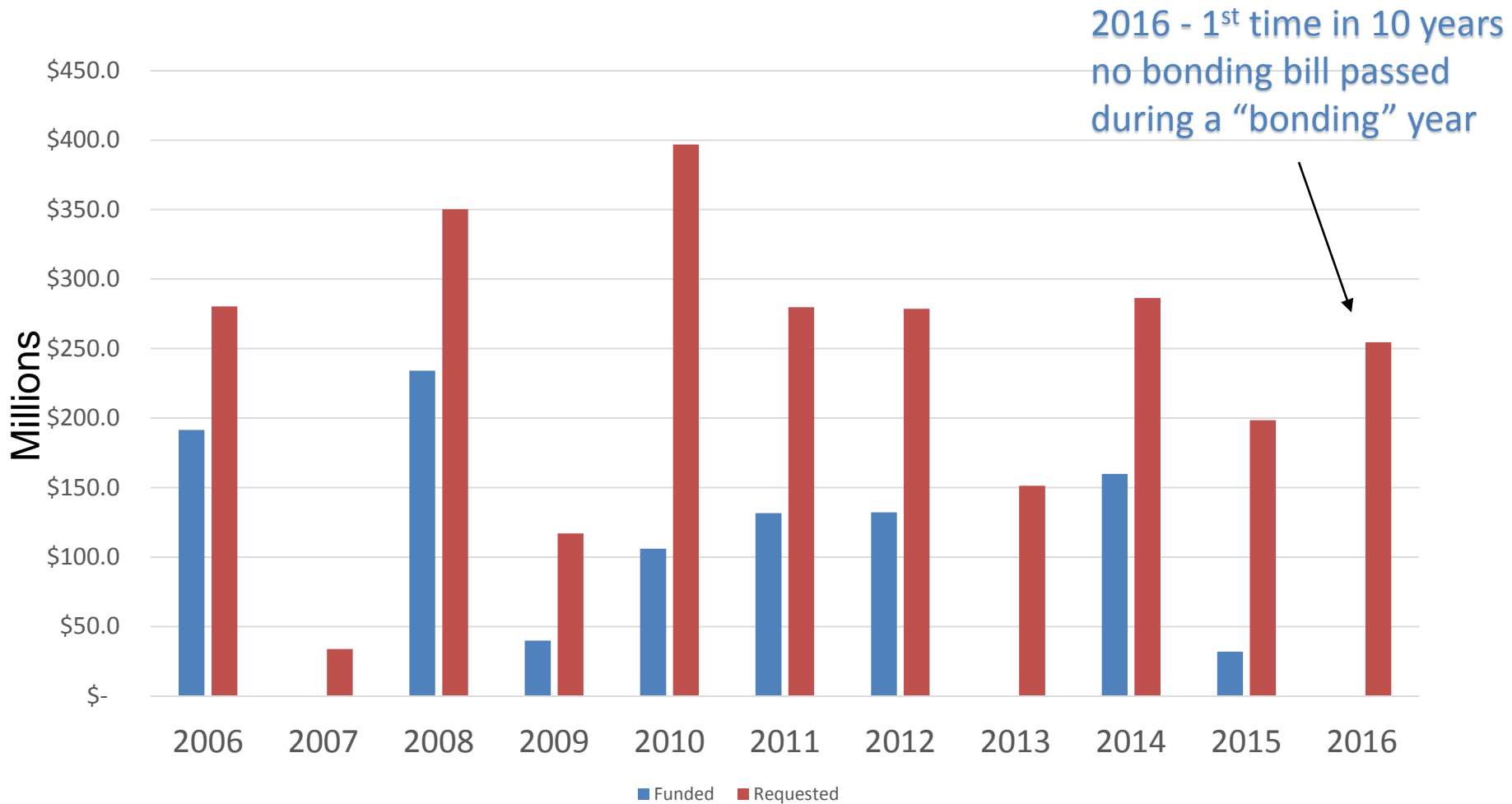
Project + HEAPR total funding (2006-2016)

2018 capital request covers same programs as the 2016 capital projects

- Allied health labs and clinical space

- STEM (Science labs – biology, chemistry, physics, earth science)

- Trade Labs (Transportation and automotive, aviation, welding, manufacturing, fabrication, solar)

- Education

- Student support

Classroom improvements continue to lead the 2018 capital request list
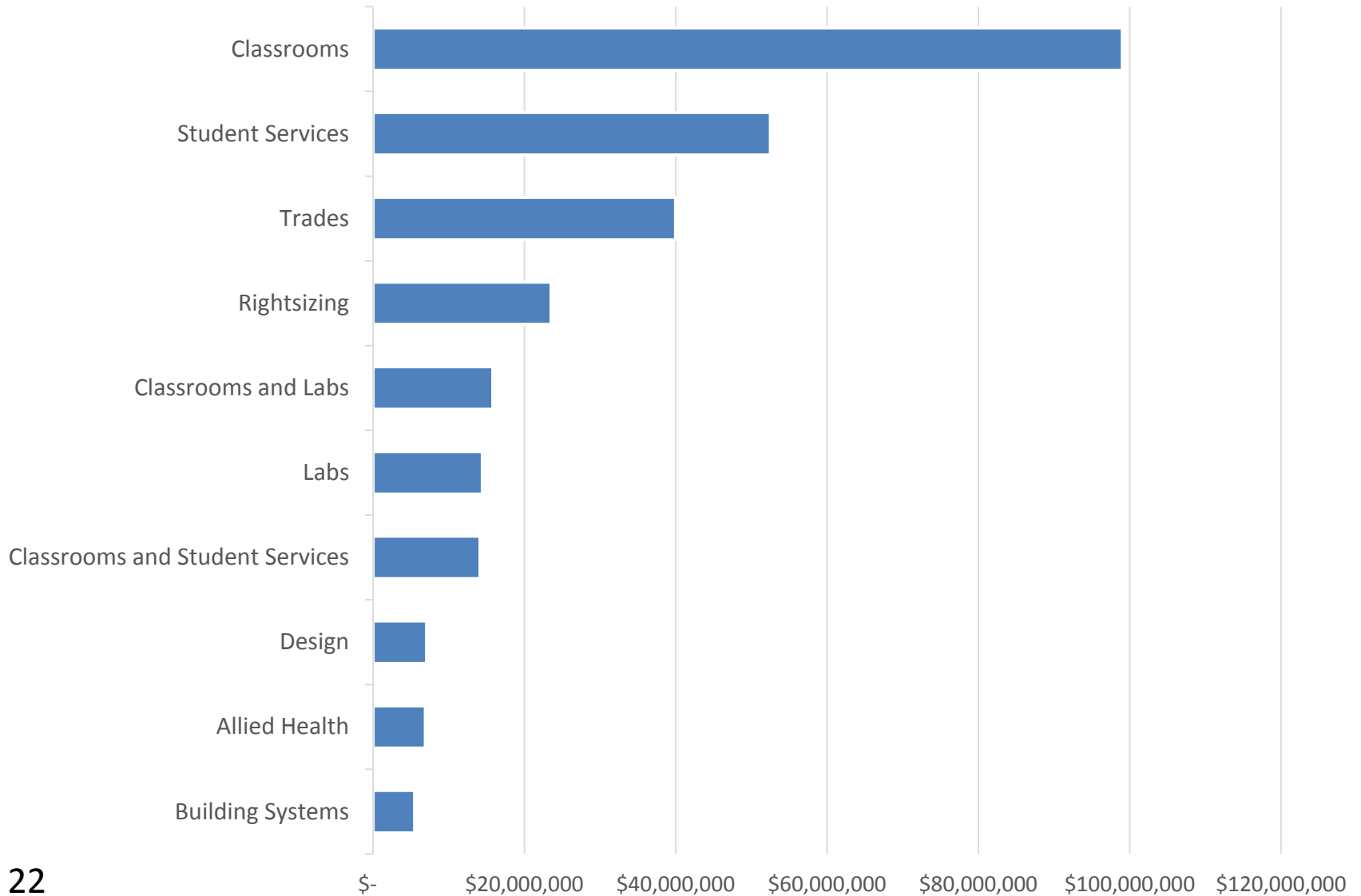
Southeast region represents the largest regional share of projects
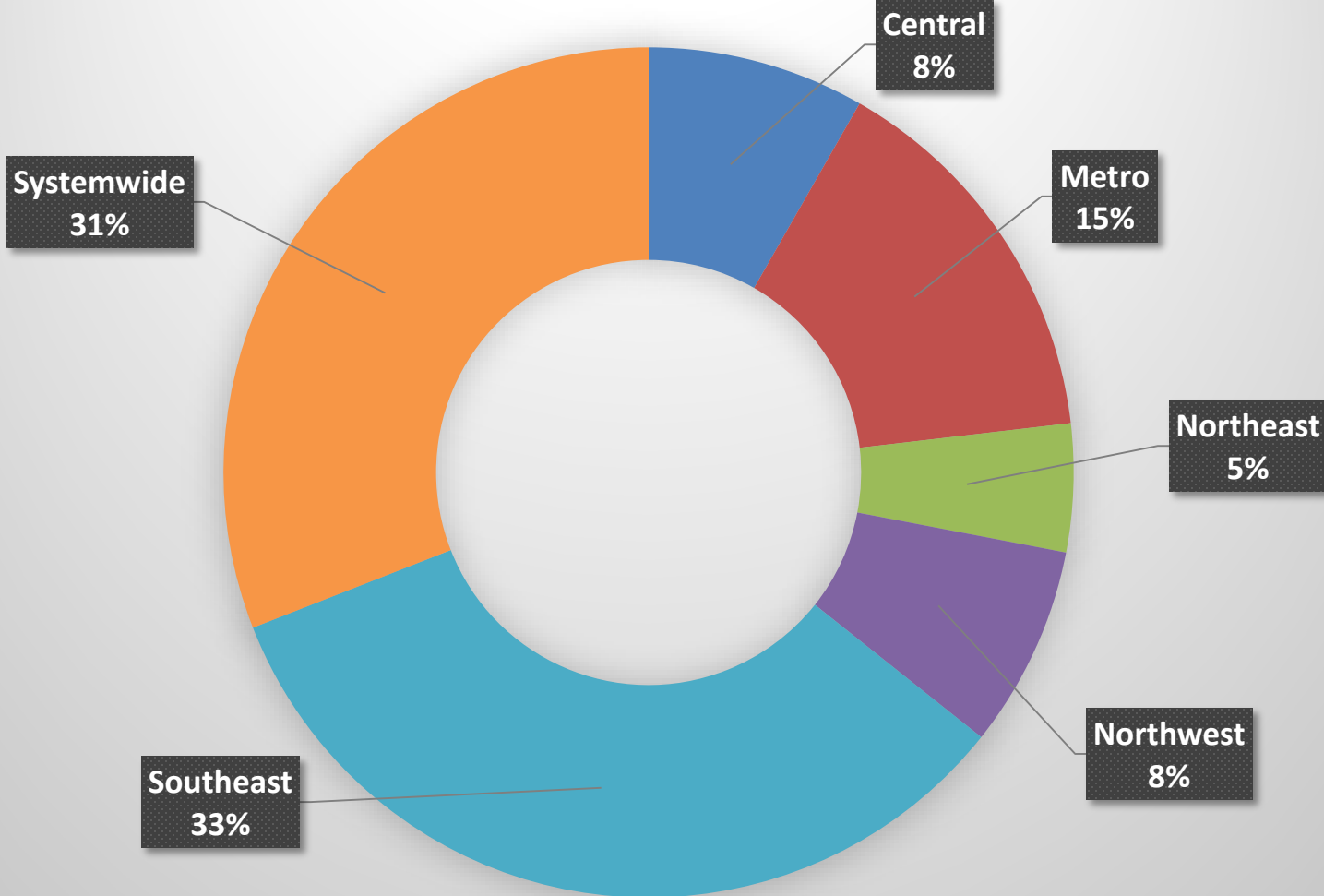
2017 Capital Requests (Planned)

MINNESOTA STATE

2017 Capital Budget Request is 2016's priorities

2nd Try

2017 Capital Budget Request is less than 2016 due to dropped projects

- $251 million
- 2 projects dropped:
  - # 14, Hennepin Tech (campus opted out)
  - #19, St. Cloud Tech (campus funded)
- $110 million HEAPR request

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2017 Capital Budget: Completing some major requests

- **Bemidji State University ($18.9M)** – removing and replacing major classroom building and relocation of office space (Hagg Sauer)

- **Rochester Community and Technical College ($21.7M)** – removing outdated faculty offices and classrooms (Memorial and Plaza Halls) and renovating

- **Hibbing Community College ($11.7M)** – rightsizing buildings and rebuilding student services and front door of campus to strengthen the core

- **Winona State University ($25.3M)** – renovating classroom/teacher training space (Education Village)

- **St. Cloud State University ($18.6M)** – renovating mothballed building

2018 Capital Budget Process

Minnesota State

Campus with Project Requests - 2018

(number of projects requested in parentheses)

- Anoka Ramsey Community College (2)
- Anoka Technical College (1)
- Bemidji State University (1)
- Century College (4)
- Fond du Lac Tribal and Community College (1)
- Hibbing Community College (1)
- Inver Hills Community College (1)
- Lake Superior College (1)
- Minneapolis Community and Technical College (1)
- Minnesota State Community and Technical College (2)
- Minnesota State University Moorhead (1)

- Minnesota State University, Mankato (2)
- Normandale Community College (1)
- Northland Community and Technical College (2)
- Riverland Community College (3)
- Rochester Community and Technical College(1)
- Saint Paul College (1)
- South Central College (1)
- St. Cloud State University (1)
- Vermilion Community College (1)
- Winona State University (2)

32 projects requested for 2018

- Estimated at $279 million
  - 19 resubmitted from 2016
  - 16 made the list in 2016
  - 13 are new
- Most – 21 of 32 – are for both design and construction funding

2018 Capital Requests by Campus
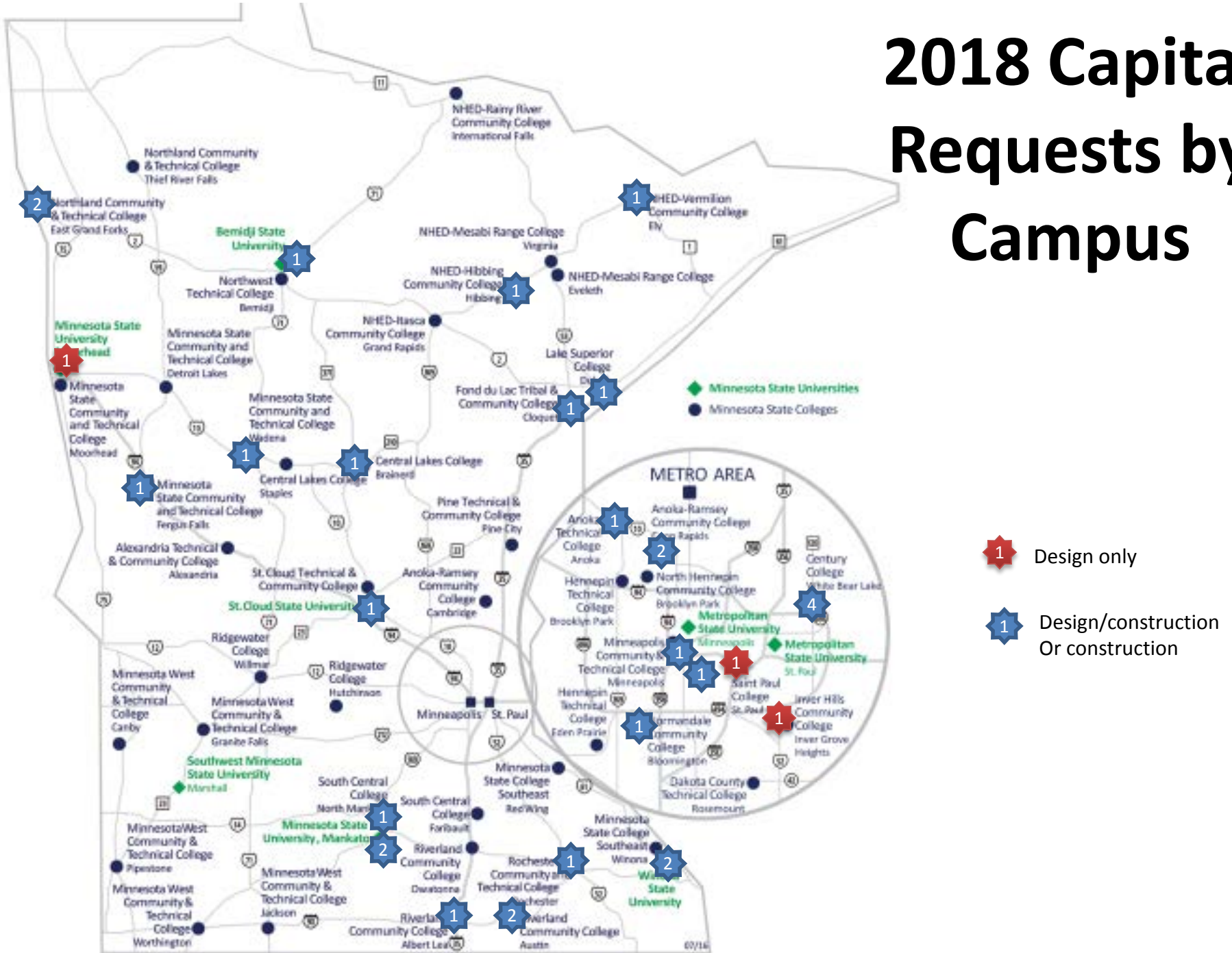
Possible 2017 Impact on 2018 Capital Requests

2018 Capital Budget

Everything You Need To Know About Capital Project SCORING

Scoring Teams

- 14 teams
- Teams named after former Minnesota governors
- 87 representatives from 28 colleges/universities

- Austin
- Clough
- Davis
- Hubbard
- Lind
- Marshall
- McGill

- Merriam
- Miller
- Nelson
- Pillsbury
- Ramsey
- Sibley
- Swift

Capital budget scoring teams created to represent diverse perspectives

- Broad participation
- Mix of disciplines
- Diverse campuses, regions
- Mix of first timers
- No team member will score their own campus project
- Each project is scored 3 times by 3 different teams

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Expectations before scoring

- Review project materials
- Use the scoring form to prepare notes
- Be prepared for discussion with team
- May contact team members before scoring event

Expectations during scoring event

- Vigorous and respectful discussions
- All team members are expected to contribute
- Evaluate projects in a consistent manner
- May wish to revisit the first project you scored
- <u>Provide written feedback on the form</u>
  - Many campuses that resubmit projects look at the forms to improve their future project request

Scoring Event Summary

- North Hennepin Community College
- Wednesday and Thursday, January 4-5, 2017, Center for Liberal Arts
  - Let Kathy Kirchoff Kathy.Kirchoff@so.mnscu.edu know if you need lodging for Tuesday/ Wednesday nights
- Bring your notes
- "Paperless", except for scoring form
- One group score per project
- Plan to spend about 45 – 60 min per major project (longer at the start)
- Bring a laptop or Ipad

Materials to review

Submittal Documents

Project Narrative Template

Predesign Document

Project Workbook Template

Logging in to the Capital Scoring SharePoint Site

Sharepoint – Login Procedure
New site this year

- Use Star ID for login and password
  https://mnscu.sharepoint.com/sites/cbs/SitePages/Home.aspx

- If getting access denied error
  Gregory.ewig@so.mnscu.edu

- For technical assistance with Star ID
  http://starid.mnscu.edu/

- Accessible with any web browser that supports the site, including Ipad (through Safari or Chrome browser)

Sample Login Screen

Capital Budget Sharepoint Home

Team Site Example

Only your team members will be able to access this site

Project Scoring Sheet

Project Score sheet

- Preliminary Considerations (30 points)
- Ensuring Access (65 points)
- Partner of Choice (48 points)
- Highest Value (74 points)
- For projects adding new square footage (35 points) – **none this year**
- Possible max of 217 points

Preliminary Considerations

- **Priority considerations**
- Add points if project -
  - Reduces square footage
  - Was previously funded
  - Or project reduces energy consumption by at least 20% <u>over current building profile</u>
- Potential for up to 30 points

Ensure Access to an extraordinary education for all Minnesotans

- Maximum of 65 points
- Each segment has guidance on low, ave. and high score

- Integrated Planning
- New Student Demographics
- Flexibility in Learning Spaces
- Improve baccalaureate opportunities

Be the partner of choice to meet Minnesota's workforce and community needs

- 8 questions
- 48 points max
- Applied learning includes partners with other colleges, universities, and private industry (workplace solutions)

- Address workforce, community needs
- Address continuing or emerging demand fields
- Produces space for applied learning on campus
- Tackles regional needs

Deliver to students, employers, communities and taxpayers the highest value/most affordable option

- 15 items
- 75 points max
- Focused heavily on costs and repurposed space

- Reduces campus backlog
- Increases space utilization
- Direct connection to enrollment strategies
- Balances facilities with financial sustainability

FOR PROJECTS ADDING NEW SQUARE FOOTAGE ONLY

- 7 items
- 35 points total
- Only use if new net square footage being proposed is material
- For purposes of scoring, "material" means in excess of 5,000 sq. ft.

- **No 2018 request triggered this requirement**
- **Not needed this time**

Supplemental Resources for Scoring

Key Resource Links

- Capital Budget Scoring Sharepoint:
  https://connect.mnscu.edu/sites/cbs/SitePages/Home.aspx

- Minnesota State Capital Budget page:
  http://www.finance.mnscu.edu/facilities/capitalbudget/

- Capital Budget Instructions

- http://www.finance.mnscu.edu/facilities/capitalbudget/2016%20%20/Instructions%20to%20Campuses%20for%202016%20Capital%20Budget.pdf

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Questions and Answers