Ohio BOR State-Wide Capital Master Plan

Update to Planning Consultation

August 29, 2006

(notes as of 9/18/06 Subcommittee Meeting)

Presentation Outline

- Team Charter
- Legislative Caucus Roundtable
- Proposal Assessment
  - Needs
  - Approach
  - Benefits

Team Charter

- Define the Team
  - BOR is sponsor of team
  - Subcommittee
    - Employees of Ohio’s public higher education institutions
    - Working with Capital Planning Office & Regents staff

Team Charter

- Define the Team
  - Members & Organizational Linkages
    - George Arnold – Columbus State Community College
    - Kate Carey – Ohio Learning Network/Ohio Commons
    - Evelyn Frey – Cleveland State University
    - Jim Haley – Miami University
    - Jim Haskell – University of Akron
    - Ann James – Cincinnati State Technical & Community Col.
    - Ron James – Ohio Board of Regents
    - John Kotowski – Ohio University
    - Chuck Mann – Owens Community College
    - Jeff Miller – Sinclair Community College
    - Dan Morissette – University of Toledo
    - Jim Nargang - Ohio Board of Regents

Team Charter

- Define The Team
  - Customers
    - Board of Regents
    - Regents Staff
    - Ohio Public Higher Education Institutions
  - Stakeholders
    - Current & Future Governor
    - OBM & Legislature
    - IUC & OACC
    - Taxpayers & Bondholders
    - Students, Faculty, and Staff
    - Host Communities

Team Charter

- Define The Purpose
  - Team Purpose
    - Expertise & Resources
      - Identify & Communicate Higher Education Capital Needs
    - High Level Document
      - Story of Higher Education Funding
        - » Facilities
        - » Infrastructure
        - » Technology Needs
      - Participate in a validation assessment by a 3rd party
      - Creation & Presentation of a statewide capital master plan
    - Recommend policies & alternatives to Board regarding capital funding, needs, & policy

Team Charter

- Define The Purpose
  - Team Purpose
    - Identify tangible outcomes resulting from support of higher education facilities
    - Educate state decision makers
      - Make capital funding for higher education a higher state priority
    - Review decision-making process, availability, & use of capital resources

Team Charter

- Define The Purpose
  - Team Vision
    - Have a statewide capital master plan and process that recognizes and communicates the needs of and provides for sustained support of public higher education in Ohio
  - Team Mission
    - Provide Expertise
    - Create 10 year statewide capital master plan & process
    - Clearly present & communicate complex, compelling messages in layperson's terms
    - Actively participate

Team Charter

- Define The Purpose
  - Goals
    - Strong draft narrative by 12/31/06 & Final version by 12/31/07
    - Common/Baseline understanding of higher education needs by 8/31/06
    - Understanding of audience & education of committee (on-going)
    - Involve 3rd party
    - Define “capital” broadly = Buildings, Infrastructure, Technology
    - Communicate connection between higher education & Ohio’s economic well-being to policy makers

Team Charter

- Define The Purpose
  - Boundaries: Not Working On –
    - Academic Programs
    - Debating 12/31/07 deadline
    - Telling each campus how to use it's money
    - Revising capital funding formula
    - Creating a process that requires additional reporting to BOR
  - Critical Success Factors
    - Strong draft complete by 12/31/06
    - Credible product
    - Increased interaction, communication, & dialogue between advocates & representatives of HE and state policy makers
    - Documenting a coherent program & presentation of document
    - Acceptance of statewide plan by HE institutions

Team Charter

- Define The Purpose
  - Team & Individual
- Develop Operating Guidelines
- Set Behavior Guidelines
- Sign-up for Charter
- Actions after Approval

Legislative Caucus Roundtable

- Key Perceptions of Legislators
  - Overbuilding on campuses
  - Inappropriate allocations of state funds (e.g., student centers)
    - Lack of understanding of local vs. state supported projects
  - Third Frontier is providing resources for campuses

Legislative Caucus Roundtable

- Key Discussion Items
  - Need to address question of funding new construction when we have renewal needs
  - The K-12 study was not seen as credible; our assessment needs to be credible
  - Need to be clear we are providing a needs assessment vs. a project wish list
  - $10 million request
    - Need to be clear about what the $10 million will buy
  - Do not change formula allocation method unless all campuses agree to changes
    - Acceptance of statewide capital plan by institutions

Proposal Assessment

- Needs
  - Independent validation of capital needs
    - Past = Deferred Maintenance (Facilities & Infrastructure)
    - Present = Sustaining the Investment (Facilities, Infrastructure, Technology)
    - Future = Meeting Program & Capacity Needs (Facilities, Infrastructure, Technology)
  - Statewide Capital Master Plan
  - BOR – Systems Database based on Life Cycle Assessment principles

<u>Meeting notes</u> –

1. One or two campuses have implemented a systems database; consider development of common statewide database
2. A systems database could promote credibility of BOR estimates of need
3. Need to reference an industry standard

Proposal Assessment

- Approach
  - Deliverables
    - Facility Condition Assessment & Systems Database
    - Statewide Capital Policy
    - Sustaining the Investment
    - Resource Allocation
    - Plant Operations & Maintenance
    - Technology Needs
    - System Capacity Review
  - FCA & Systems Database supported with $10 MM request
    - Balance would be accomplished through efforts of Regents staff and subcommittees

<u>Meeting notes</u> –

1. Consider collecting pictures of space with renovation needs
2. Resource Allocation – need to capture allocation details from institutions
   - Consider mechanisms, best practices
3. Sustaining the Investment –promotion of sustainable building practices (e.g., LEED) can help manage building operating costs
4. NEW DELIVERABLE – <u>Institution Debt Levels</u>

Proposal Assessment

- Approach
  - $10 million Supplemental Request Break-Out
    - Facility Condition Assessment - $8.5 million
      - Cost based on 57 million sq ft x $0.14 to $0.15 per sq ft
      - Assess E&G space and campus infrastructure
      - Creating a data collection tool
      - 10 year needs report to address deficiencies
    - Systems Database - $1.5 million
      - Supporting future statewide capital information needs
      - Condition of major building systems using LCA
      - Estimate based on BOR staff experience with implementation of program applications

<u>Meeting notes</u> –

1. <u>Assess E&G space</u> does include review of technology equipment/infrastructure (technology as a “utility”)
2. 10 year needs report address current deficiencies, not present needs to sustain capital investments – may not be necessary to establish a specific time frame to address deficiencies
3. Concern that cost is too high – need to verify through an information gathering process

Proposal Assessment

- Benefits
  - Statewide Capital Master Plan
    - Guidance to state policy makers regarding need
    - Common understanding at public higher education institutions of state's ability to support capital investments
    - Demonstrate tangible outcomes from support of HE capital needs
    - Recommendations to BOR
  - 10 year deferred maintenance/capital renewal plan
  - Increase in available capital resources for public higher education institutions

Proposal Assessment

- Draft Review & Discussion
  - Draft Comments
  - Questions to consider during discussion
    - Why do we need data?
      - 10 year deferred maintenance/capital renewal plan
      - Systems database
    - In regards to the assessment:
      - Do we need to look at all E&G facilities?
        - » If not, what is our criteria for facility selection?
      - How do we define critical facility & infrastructure needs?
      - How do we incorporate technology needs into assessment study?