

**MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES**

Agenda Item Summary Sheet

Committee: Finance and Facilities

Date of Meeting: November 16, 2011

Agenda Item: FY2012 Capital Projects Update

<input type="checkbox"/>	Proposed	<input type="checkbox"/>	Approvals	<input type="checkbox"/>	Other	<input type="checkbox"/>
	Policy Change		Monitoring Required by Policy		Approvals	
<input checked="" type="checkbox"/>	Information					

Cite policy requirement, or explain why item is on the Board agenda:

This report updates Board members on the status of the FY2012 capital budget request and execution of capital projects approved and funded in July 2011 as part of the FY2011 special legislative session.

Scheduled Presenter(s): Brian Yolitz – Associate Vice Chancellor of Facilities

Outline of Key Points/Policy Issues:

The Legislature and Minnesota Management and Budget (MMB) have received the Board of Trustees approved Minnesota State Colleges and Universities capital budget request for FY2012.

Background Information:

The capital budget request totals \$278.7 million for higher education asset preservation and replacement (HEAPR) work, 22 capital projects and 3 initiatives to address requirements for science, technology, engineering and math (STEM), energy and classroom renovation and construction. Ten of the 22 capital projects received initial funding in prior year capital programs. User financing would fund \$56.2 million of the requested program with state financing providing the balance of \$222.5 million.

**BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES**

INFORMATION ITEM

FY2012 Capital Projects Update

CAPITAL BUDGET UPDATE

This report updates Board members on the status of the FY2012 capital budget request and execution of capital projects approved and funded in July 2011 as part of the FY2011 special legislative session.

FY2012 CAPITAL BUDGET REQUEST

The Legislature and Minnesota Management and Budget (MMB) have received the Board of Trustees approved Minnesota State Colleges and Universities capital budget request for FY2012. It totals \$278.7 million for higher education asset preservation and replacement (HEAPR) work, 22 capital projects and 3 initiatives to address requirements for science, technology, engineering and math (STEM), energy and classroom renovation and construction. Ten of the 22 capital projects received initial funding in prior year capital programs. User financing would fund \$56.2 million of the requested program with state financing providing the balance of \$222.5 million.

The bonding book *“Building Futures: Renewing and Protecting Minnesota’s Assets”* has been published and distributed to provide stakeholders an overview the requested program.

Campus visits are underway providing state senators and representatives and their staffs; MMB leadership and staff; and Office of Higher Education representatives’ insights to requirements in the capital request. Participants at each campus have varied, but have included the chancellor, presidents, vice presidents of finance, academic deans and faculty, facilities staff, students, workforce partners, and local legislators.

Senator Michelle Fischbach, Higher Education Chair has visited the multiple campuses and has had a number of different senators and representatives in attendance including Senators Bill Ingebriksen, John Carlson and Jeremy Miller. Her visits to the following campuses have touched on an array of higher education issues beyond capital projects: North Hennepin Community College, Anoka Technical College, Anoka Ramsey Community College -Coon Rapids, St. Cloud Technical and Community College, St Cloud State University, Central Lakes College - Brainerd, Minneapolis Community and Technical College, Inver Hills Community College, Dakota County Technical College, Metropolitan State University, Saint Paul College, Century College, Hennepin Technical College - Brooklyn Park, Alexandria Technical and Community College, Bemidji State University, Northwest Technical College -

Bemidji, Minnesota State University Moorhead, Winona State University, and Minnesota State College - Southeast Technical at Winona.

Representative Larry Howes, Chair of the House Capital Investment Committee, has been touring with a number of representatives and staff. They have attended: St Cloud Technical and Community College, Central Lakes College - Brainerd, Itasca Community College, Pine Technical College, Metropolitan State University, Saint Paul College, Century College, Minnesota West Community and Technical College - Worthington, South Central College - Faribault and Ridgewater College - Willmar.

The commissioner of MMB, Office of Higher Education staff, House of Representative staff, Senate staff and MMB staff attended tours led by System Office staff to Metropolitan area capital projects on two separate days: Century College, Inver Hills Community College, Dakota County Technical College, Minneapolis Community and Technical College, Saint Paul College, and Metropolitan State University.

In addition, presidents and staff from Minnesota West Community and Technical College - Worthington, Ridgewater College – Willmar, and South Central College – Faribault traveled to St Paul and made presentations to leadership from MMB, the Office of Higher Education, and legislative staff.

At the time of this writing, additional tours are planned for mid-November at Bemidji State University, Hibbing Community College, Lake Superior College and other locations to be determined. The chancellor and staff from the System Office will participate with other state agencies in capital program presentations to MMB leaders and the governor's staff.

The governor is expected to make his statewide recommendation to the legislature in January 2012. The legislative session begins on Tuesday January 24, 2012 and is scheduled to end on Monday May 21, 2012.

FY2011 CAPITAL PROJECT EXECUTION

The FY2011 special session included \$131.6 million for HEAPR and capital projects for the system. At the time of this report \$6.4 million or 21% of the \$30 million provided for HEAPR requirements has been encumbered. Nearly \$57 million or 56% of the \$101.6 million provided for the 7 capital projects has been encumbered. Additional details are below:

Systemwide

Higher Education Asset Preservation and Replacement - \$30,000,000

Status: Projects in both design and construction, 21% funds encumbered

Anoka Ramsey Community College

Fine Arts Building renovation - \$5,357,000

Status: Under design

Hennepin Technical College

Learning Resource Center & Student Service Center renovation - \$10,566,000
Status: Under Construction

Minnesota State University Moorhead

Livingston Lord Library & Information Technology renovation - \$14,901,000
Status: Under design

St. Cloud State University

Integrated Science & Engineering Laboratory Facility - \$42,334,000
Status: Under Construction

Normandale Community College

Academic Partnership Center & Student Services Building - \$21,984,000
Status: Under Construction

Metropolitan State University

Science Education Center design & property acquisition - \$3,444,000
Status: State Designer Selection Board complete, design negotiation underway

NHED Mesabi Range Community and Technical College

Iron Range Engineering Program Addition and Renovation - \$3,000,000
Status: State Designer Selection Board complete, design negotiation underway

Date presented to the Board of Trustees: November 16, 2011