

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

Agenda Item Summary Sheet

Committee: Finance and Facilities

Date of Meeting: August 4, 2011

Agenda Item: FY2012 Capital Budget Request Amendment (*Action*)

- Proposed Policy Change Approvals Required by Policy Other Approvals Monitoring
- Information

Cite policy requirement, or explain why item is on the Board agenda: The Chancellor is interested in advancing the construction phase of the Science Education Center as part of the FY2012 capital request. If successfully funded in the 2012 session the building would then be in service two years earlier then otherwise.

Scheduled Presenter(s): Laura M. King, Vice Chancellor – Chief Financial Officer
Brian Yolitz, Associate Vice Chancellor Facilities

Outline of Key Points/Policy Issues: The Metropolitan State University Science Education Center design and property acquisition was originally approved by the Board as part of the FY2010 capital program with construction to be advanced in FY2012. It was ultimately not funded in FY2010 and the requirement was reevaluated as part of the FY2012 program development process. The project was approved again by the Board as part of the FY2012 program, with construction planned for FY2014.

Background Information: On July 21, 2011, Governor Dayton signed a \$531 million bonding bill for FY2011. The bill included \$131.586 million for Minnesota State Colleges and Universities providing \$30 million for Higher Education Asset Preservation and Replacement (HEAPR) and \$101.586 for six construction projects and one major design project.

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

ACTION ITEM
FY2012 Capital Budget Request Amendment

BACKGROUND

On July 21, 2011, Governor Dayton signed a \$531 million bonding bill for FY2011. The bill included \$131.586 million for Minnesota State Colleges and Universities providing \$30 million for Higher Education Asset Preservation and Replacement (HEAPR) and \$101.586 for six construction projects and one major design project. When combined with the funded FY2010 program, a total of \$237.755 million has been provided for system capital requirements over the biennium. This includes \$82 million for HEAPR (75% of the \$110 million requested) and \$155.755 million for 17 design and construction projects and initiatives (roughly 54% of the original request).

IMPACT ON BOARD APPROVED FY2012 CAPITAL PROGRAM

The FY2012 capital budget request approved by the Board in June was \$344.2 million, with 31 design and construction projects and initiatives totaling \$234.2 million. The balance of the approved 2012 request totaling \$110 million is directed at HEAPR projects distributed across the system. All six construction projects and the design project approved in the FY2011 bonding bill were on the FY2012 Board approved list. Board intent in approving the FY2012 list was to remove those requirements funded in FY2011. The result is a FY2012 Board approved capital program totaling \$246.684 million with \$110 million for HEAPR and \$136.684 for 24 projects and initiatives. The specific project list is at **Attachment A**.

METROPOLITAN STATE UNIVERSITY SCIENCE EDUCATION CENTER CONSTRUCTION

The Metropolitan State University Science Education Center design and property acquisition was originally approved by the Board as part of the FY2010 capital program with construction to be advanced in FY2012. It was ultimately not funded in FY2010 and the requirement was reevaluated as part of the FY2012 program development process. The project was approved again by the Board as part of the FY2012 program, with construction planned for FY2014.

The Science Education Center design has been funded as part of the FY2011 bonding bill. Actual design work is expected to be complete by the end of the FY2012 legislative session and if construction was immediately funded, classes could be held in the new space in the fall of 2014. The Chancellor is interested in advancing the construction phase of the Science Education Center as part of the FY2012 capital request. If successfully funded in the 2012 session the building would then be in service two years earlier than otherwise.

This project is a key component of their recently approved master plan. This campus is the smallest state university at 290,500 sq ft with 5,800 FYE (fourth highest of the state universities) and 10,200 head count (third highest of state universities). The construction phase is estimated to require \$31.0 million, adding approximately 58,600 square feet and renovating 3,600 square feet to the St Paul campus. It will create a network of teaching and research laboratories, classrooms, student support spaces and faculty offices to support science, nursing, health science, and non-science programs. Metropolitan State University is the only state university in the system with no dedicated science building; it currently only has two limited wet lab spaces.

The project addresses many elements in the Board's Strategic Plan. It enables the increase of baccalaureate programming in the metropolitan area and enhances access as underrepresented groups make up 30% of the current Metropolitan State University student body. In addition, it provides capacity to increase STEM instruction within the system.

The legislature recognized the importance of STEM in Minnesota by directing more than 50% of the total higher education capital program funding in FY2011 (\$112.6 million of \$202.4 million) towards STEM work at the University of Minnesota and the Minnesota State Colleges and Universities system. Specifically, five of their nine approved line-item projects and more than 68% of the line-item project funding (\$112.6 million of \$165.4 million) were directed towards STEM at the University and the system. With project funding in FY2011, the Minnesota State Colleges and Universities system FY2012 STEM program shrinks to only \$36.5 million for five projects and the STEM initiative.

Adding the construction phase of the Metropolitan State University Science Education Center to the FY2012 Board approved capital program would create a total program request of \$277.684 million with \$110 for HEAPR and \$167.684 for 25 projects and initiatives. This total capital request would nonetheless be smaller than the system's requests for each the last three biennia. The revised FY2012 specific project list is at **Attachment B**.

RECOMMENDED COMMITTEE ACTION:

The Facilities/Finance Policy Committee recommends the Board of Trustees adopt the following motion:

The Board of Trustees approves the updated FY2012-2017 Capital Budget as presented in **Attachment B**, specifically the projects and priorities for FY2012. In approving funds for design, the Board stipulates that it reserves final approval of later construction spending and priority to such projects versus others that may later be considered. The Chancellor is authorized to make cost and related adjustments to the budget as required, and to forward the Capital Budget to the Governor for consideration in the FY2012-2017 state capital budget. The Chancellor shall advise the Board of any subsequent changes in the Capital Budget prior to the 2012 legislative session.

RECOMMENDED BOARD OF TRUSTEES MOTION:

The Board of Trustees approves the updated FY2012-2017 Capital Budget as presented in **Attachment B**, specifically the projects and priorities for FY2012. In approving funds for design, the Board stipulates that it reserves final approval of later construction spending and priority to such projects versus others that may later be considered. The Chancellor is authorized to make cost and related adjustments to the budget as required, and to forward the Capital Budget to the Governor for consideration in the FY2012-2017 state capital budget. The Chancellor shall advise the Board of any subsequent changes in the Capital Budget prior to the 2012 legislative session.

Date Presented to the Board of Trustees: August 4, 2011

**FY2012 Capital Budget Request
June Board Approved - FY2011 Adjustments - Potential Change**

Original FY2012 Ranking	FY2012 Ranking Following FY2011 Funding	Campus Name and Project Title	Design or Majority Construction	June Board Approved FY2012 Program	FY2011 Funded	Revised FY2012 Program	Potential FY2012 Program Change	Potential FY2012 Ranking Following Change
1	1	Higher Education Asset Preservation and Replacement (HEAPR)		\$110.000	\$30.000	\$110.000		1
2		Anoka-Ramsey Community College, Coon Rapids - Fine Arts Building renovation	D/C	\$5.350	\$5.357			
3		Hennepin Technical College - Learning Resource & Student Service Center - renovation	C	\$5.750	\$10.566			
4	2	Minneapolis Community & Technical College - workforce program renovation	C	\$13.389		\$13.389		2
5	3	Ridgewater College, Willmar - technical instruction lab renovation	D/C	\$12.813		\$12.813		3
6	4	Minnesota West Community & Technical College, Worthington - renovation and addition	C	\$4.606		\$4.606		4
7	5	South Central College, Faribault classroom renovation and addition	D/C	\$13.315		\$13.315		5
8	6	Anoka-Ramsey Community College, Coon Rapids - Bioscience & Allied Health addition	D	\$0.980		\$0.980		6
9	7	North Hennepin Community College - Bioscience & Health Careers addition	D/C	\$26.292		\$26.292		7
10		Minnesota State University Moorhead - Livingston Lord Library renovation	D/C	\$14.588	\$14.901			
11	8	Southwest Minnesota State University - science lab renovation design	D	\$0.500		\$0.500		8
12		St. Cloud State University - Integrated Science & Engineering Laboratory Facility (ISELF)	C	\$43.535	\$42.334			
13	9	Saint Paul College - Health & Science Alliance Center design	D	\$1.500		\$1.500		9
14	10	Century College - Academic Partners classroom addition design and construction	D/C	\$5.000		\$5.000		10
15	11	Dakota County Technical College - Transportation & emerging technical lab renovation	D/C	\$7.230		\$7.230		11
16	12	Rochester Community & Technical College - Workforce Center co-location	D/C	\$3.146		\$3.146		12
17	13	Science, technology, engineering & math initiative renovations revised from 2010 Bemidji SU, Century, Inver Hills CC, MSCTC Moorhead, MSU Moorhead, NHED Mesabi Range CTC Eveleth, NHED Hibbing CC, NHED Itasca CC, Pine Technical	D/C	\$5.200		\$5.200		13
18	14	Minnesota State University, Mankato - Clinical Science design	D	\$2.065		\$2.065		14
19		Normandale Community College - Academic Partnership Center addition	C	\$23.236	\$21.984			
20	15	Bemidji State University - Business building addition/renovation design and demolition	Demo/D	\$3.303		\$3.303		15
21		Metropolitan State University - Science Education Center (FY2011 design, site acquisition and demolition; FY2012 construction)	D	\$3.361	\$3.444		\$31.000	16
22	16	Rochester Community & Technical College - classroom renovation design	D	\$0.900		\$0.900		17
23	17	Central Lakes College, Staples - Agriculture rightsizing, Main Building design and renovation	D/C	\$3.458		\$3.458		18
24	18	NHED Itasca Community College - demolition, renovation and addition	D/C	\$4.549		\$4.549		19
25	19	Riverland Community College Albert Lea - demolition, rightsizing and renovation	D/C	\$3.083		\$3.083		20
26	20	Energy initiative: Anoka Technical, Century, MnWest Community & Technical; Jackson and Canby, NHED Hibbing Community College and Itasca Community College renovations and additions	D/C	\$3.700		\$3.700		21
27	21	Classroom renovation initiative; Inver Hills Community College, Century, NHED - Vermilion Community College, Saint Paul College	D/C	\$2.675		\$2.675		22
28	22	Minnesota State Community & Technical College, Moorhead - Transportation Center addition and renovation	D/C	\$5.210		\$5.210		23
29		NHED Mesabi Range Community & Technical College - 4 year engineering addition	D/C	\$1.656	\$3.000			
30	23	Winona State University - Business and classroom renovation	D/C	\$5.828		\$5.828		24
31	24	St. Cloud Technical & Community College - Medium heavy truck & auto body addition and renovation	D/C	\$4.067		\$4.067		25
32	25	Alexandria Technical & Community College - Main Building renovation	C	\$3.875		\$3.875		26
Total with HEAPR				\$344.160	\$131.586	\$246.684	\$277.684	
HEAPR				\$110.000	\$30.000	\$110.000	\$110.000	
Projects				\$234.160	\$101.586	\$136.684	\$167.684	
User Financing				\$78.053	\$33.862	\$45.561	\$55.895	
General Obligation				\$266.107	\$97.724	\$201.123	\$221.789	
General Fund				\$0.000		\$0.000	\$0.000	

**FY2012 Capital Budget Request
Recommended For Board of Trustees Approval - August 4, 2011**

Proposed Ranking	Campus Name and Project Title	FY2012 Program	FY2014 Planning Target
1	Higher Education Asset Preservation and Replacement (HEAPR)	\$110.000	\$110.000
2	Minneapolis Community & Technical College - workforce program renovation	\$13.389	\$3.908
3	Ridgewater College, Willmar - technical instruction lab renovation	\$12.813	
4	Minnesota West Community & Technical College, Worthington - renovation and addition	\$4.606	
5	South Central College, Faribault classroom renovation and addition	\$13.315	
6	Anoka-Ramsey Community College, Coon Rapids - Bioscience & Allied Health addition	\$0.980	\$12.000
7	North Hennepin Community College - Bioscience & Health Careers addition	\$26.292	
8	Southwest Minnesota State University - science lab renovation design	\$0.500	\$5.000
9	Saint Paul College - Health & Science Alliance Center design	\$1.500	\$12.000
10	Century College - Academic Partners classroom addition design and construction	\$5.000	\$1.750
11	Dakota County Technical College - Transportation & emerging technical lab renovation	\$7.230	\$6.000
12	Rochester Community & Technical College - Workforce Center co-location	\$3.146	
13	Science, technology, engineering & math initiative renovations revised from 2010 Bemidji SU, Century, Inver Hills CC, MSCTC Moorhead, MSU Moorhead, NHED Mesabi Range CTC Eveleth, NHED Hibbing CC, NHED Itasca CC, Pine Technical	\$5.200	
14	Minnesota State University, Mankato - Clinical Science design	\$2.065	\$28.000
15	Bemidji State University - Business building addition/renovation design and demolition	\$3.303	\$13.000
16	Metropolitan State University - Science Education Center construction	\$31.000	
17	Rochester Community & Technical College - classroom renovation design	\$0.900	\$10.000
18	Central Lakes College, Staples - Agriculture rightsizing, Main Building design and renovation	\$3.458	
19	NHED Itasca Community College - demolition, renovation and addition	\$4.549	
20	Riverland Community College Albert Lea - demolition, rightsizing and renovation	\$3.083	
21	Energy initiative: Anoka Technical, Century, MnWest Community & Technical; Jackson and Canby, NHED Hibbing Community College and Itasca Community College renovations and additions	\$3.700	
22	Classroom renovation initiative; Inver Hills Community College, Century, NHED - Vermilion Community College, Saint Paul College	\$2.675	
23	Minnesota State Community & Technical College, Moorhead - Transportation Center addition and renovation	\$5.210	
24	Winona State University - Business and classroom renovation	\$5.828	\$2.000
25	St. Cloud Technical & Community College - Medium heavy truck & auto body addition and renovation	\$4.067	
26	Alexandria Technical & Community College - Main Building renovation	\$3.875	
	TOTAL	\$277.684	\$203.658
	HEAPR	\$110.000	\$110.000
	PROJECTS	\$167.684	\$93.658
	User Financing	\$55.895	\$44.618
	General Obligation	\$221.789	\$199.235
	General Fund	\$0.000	\$0.000