

2025-27 AGENCY REQUEST BUDGET COMMUNITY COLLEGE CAPITAL GUIDE

INSTRUCTIONS February 2024



Source: Klamath Community College

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ACCESSIBILITY STATEMENT

The HECC is committed to accessible services for all. Requests for translations, language services, alternative formats, or American Disabilities Act (ADA) accommodations may be sent to info.hecc@hecc.oregon.gov.

SUBMISSION DEADLINE: APRIL 5, 2024

Email all documents to: hecc.capconstructreimb@hecc.oregon.gov.

Call (503) 979-6003 for any questions or assistance.

INTRODUCTION

PROCESS OVERVIEW

The goal of this process is to assist the Legislature in determining the most appropriate strategic investments in the state's institutions and student access programs necessary to achieve state postsecondary education goals as included in ORS 350.075.

Because funding is limited, a prioritization process must occur. Project submissions are collected to meet Department of Administrative Services (DAS) Capital Budget requirements and to provide the data necessary for consideration. The Commission's recommendations are based upon a prioritization process that incorporates the criteria detailed in the capital scoring rubric. The grading process, by which projects are considered for their alignment with the rubric, is described in the grading approach section of this document. Projects that are recommended, but unfunded, can be resubmitted the following budget cycle if the project remains a priority for the institution. Previously recommended, but unfunded, projects are not guaranteed recommendation in the following cycle.

HECC strongly suggests institutions engage their academic and institutional research teams to assist in the development and completion of the submittal.

STATUTORY AUTHORITY/RULES

The authority for this work is included in ORS 350.075(3), which states that:

The Higher Education Coordinating Commission shall:

- (a) Develop state goals for the state postsecondary education system, including community colleges and public universities listed in ORS 352.002, and for student access programs.
- (b) Determine strategic investments in the state's community colleges, public universities, and student access programs necessary to achieve state postsecondary education goals.
- (c) Coordinate the postsecondary elements of data collection and structure, with the advice and recommendation of the state's independent institutions, community colleges and public universities, as appropriate, in order to construct a state longitudinal data system.
- (d) Adopt a strategic plan for achieving state postsecondary education goals, taking into consideration the contributions of this state's independent institutions, philanthropic organizations and other organizations dedicated to helping Oregonians reach state goals. State post-secondary education goals as described in this section should include, but need not be limited to:
 - a) Increasing the educational attainment of the population

- b) Increasing this state’s global economic competitiveness and the quality of life of its residents
- c) Ensuring affordable access for qualified Oregon students at each college or public university
- d) Removing barriers to on-time completion
- e) And tracking progress toward meeting the state’s post-secondary education goals established in the strategic plan.

Additional statutory guidance is found in ORS 341.933, ORS 341.937, and Oregon Administrative Rule 589-003-100 as amended 11/2023. Please see this link: <https://secure.sos.state.or.us/oard/displayDivisionRules.action?selectedDivision=2682>

- f) ORS 341.933 Distribution of state funds for capital construction
- g) The Higher Education Coordinating Commission shall adopt by rule standards governing the distribution of state funds to community college districts for capital construction projects. The standards shall include, but need not be limited to, the following provisions:
 - h) (1) No state funds shall be used for the construction of student or faculty housing, facilities for spectators at athletic events, recreational facilities, student health facilities or noninstructional portions of student centers; and
 - i) (2) State funds shall be matched by substantial contributions from nonstate sources, which may include tuition, property taxes, bond issues, gifts, and grants. [1987 c.474 §11; 1999 c.21 §68; 2013 c.747 §74]
- j) ORS 341.937 Capital improvements for access for persons with disabilities

In preparing an agency request budget for each biennium, after consultation with the community colleges and their respective representatives of the community of persons with disabilities at the colleges, the Higher Education Coordinating Commission shall include amounts for capital improvements that will be applied to the substantial reduction and eventual elimination of barriers to access by persons with disabilities. [1991 c.935 §3; 2005 c.22 §235; 2007 c.70 §99; 2013 c.747 §75; 2016 c.117 §54]

HECC EQUITY LENS AND STRATEGIC ROADMAP

The Higher Education Coordinating Commission vision is a future in which all Oregonians—and especially those whom our systems have underserved and marginalized—benefit from the transformational power of high-quality postsecondary education and training.

Oregon’s [Strategic Roadmap for Oregon Postsecondary Education and Training](#), finalized in August, 2021, sets an ambitious path forward by describing how postsecondary systems, policies, and practices need to change in order to achieve [Oregon’s goals for educational attainment and equity](#). The Roadmap is intended to guide not only HECC initiatives and investments, but also those of Oregon’s postsecondary education and training

partners statewide, with implications for public and private colleges and universities, the Legislature and Governor, education and workforce development partners, as well as faculty, students, and staff.

The Roadmap sets the following five categories for strategic action as major areas of focus for the HECC, the Legislature, and other partners, with specific examples described in the document.

1. **Transform and innovate to serve students and learners best**—Support education and training institutions in continuing to transform, expand, and redesign their outreach and delivery models to engage today’s learners.
2. **Center higher education and workforce training capacity on current and future state needs**—Focus postsecondary education and training resources to serve Oregonians where they are and who they are, with a priority on communities and populations that have been historically underserved.
3. **Ensure that postsecondary learners can afford to meet their basic needs**—Improve college affordability for Oregonians and ensure that fewer students struggle with homelessness, housing insecurity, and food insecurity.
4. **Create and support a continuum of pathways from education and training to career**—Ensure that all learners have access to a full range of education and training options beyond high school, including apprenticeships, career certificates, and college degrees.
5. **Increase public investment to meet Oregon’s postsecondary goals**—Through adequate and sustained levels of public investments, minimize tuition increases and build programs and services to equitably serve learners.

TIMELINE

For the upcoming biennium, institutions must submit project proposals to HECC by the first week of April of the even year. HECC Staff Evaluations will be conducted using the criteria in this Capital Guide. After evaluation, HECC staff is tentatively scheduled to present the prioritized statewide list to the Commission for action at the June 2024 Commission meeting.

February-March 2024: Instructions released for 2025-27 ARB

April 5, 2024: Submission Deadline

April 7 – 30, 2024: Evaluations

May 2024: Presentations to HECC Funding & Achievement (F&A) Subcommittee

June 2024 (tentative): HECC staff present capital recommendations to HECC F&A

August 13, 2024: HECC ARB due to DAS and LFO

CAPITAL PROJECT PROCESS FLOWCHART



PROJECT SUBMISSION

INSTITUTION CAPITAL PLAN INFORMATION

Institutions requesting cash or debt financing from the state for capital projects in the upcoming biennium, are expected to provide the information described below. This information is required once, regardless of how many projects are being submitted.

1. Identify whether the institution has a master facility plan and, if so, the date on which it was adopted and/or last amended.
2. Provide a description of the institution's plan for managing facilities, reducing any deferred maintenance backlog, and addressing future deferred maintenance needs.
3. Provide an estimate of the institution's deferred maintenance backlog for education and general service facilities.
4. Provide an estimate of the institution's seismic upgrade needs for educational and general service facilities.
5. Identify any bond-funded projects that were authorized in prior biennia that will require reauthorization by the upcoming legislature. Include the name of the project, when it was authorized, the amount that needs to be reauthorized, and a description of any changes to the project since it was originally authorized (include changes in project cost and funding).

PROJECT ELIGIBILITY AND MATCHING

- XI-G bonds are constitutionally required to be matched by the community college. Additionally, the provisions in section 10, chapter 705, Oregon Laws 2013 related to community college XI-G projects continue to apply to new requests.
 - One project limitation per biennium
 - \$8M total authorization bonded from the State
 - Matching is required by bond contract and constitution for XI-G bonds
 - Colleges required to skip a biennium once bonded

- During 2017 Legislative Session some limitations were posted in SB 5005 as follows:

SECTION 9. (1) A community college for which one project to be funded with general obligation bonds authorized to be issued under Article XI-G of the Oregon Constitution is approved in this 2017 Act may not request approval of an additional project to be funded with general obligation bonds authorized to be issued under Article XI-G of the Oregon Constitution until the beginning of the regular session of the Legislative Assembly held in 2021, unless the community college withdraws the project approved under this 2017 Act.

(2) A community college for which two projects to be funded with general obligation bonds authorized to be issued under Article XI-G of the Oregon Constitution is approved in this 2017 Act may not request approval of an additional project to be funded with general obligation bonds authorized to be issued under Article XI-G of the Oregon Constitution until the beginning of the regular session of the Legislative Assembly held in 2025, unless the community college withdraws a project approved under this 2017 Act.

- When matching funds for the XI-G bonds have not been secured, the institution may request a reauthorization of the existing project. The DAS Capital and HECC PFC requirement is to put it in writing at the earliest date and have it confirmed by institutional leadership. Please see example in Attachment D.

GRADING APPROACH

Those community college presidents not submitting packages may serve as volunteers for scoring. Members of the grading team include the following:

- Director of Community College and Workforce Development, HECC
- President of the Oregon Community College Association or delegate
- Presidents of Community Colleges not considering a capital project this budget cycle
- Postsecondary Finance and Capital Analyst, HECC, recorder

Preliminary grading by the volunteer group will then be presented to the Oregon President's Council (OPC). Once the OPC has made its review, the results will be advanced to the HECC Staff for consideration.

Final recommendations will be advanced by HECC staff to the Funding and Achievement Committee for consideration in the Agency Request Budget.

COMMUNITY COLLEGE CAPITAL CONSTRUCTION DUE DILIGENCE TEMPLATE

For consideration for inclusion in the Higher Education Coordinating Commission's Agency Request Budget for upcoming biennium, please provide requested information to Postsecondary Finance and Capital at HECC.CapConstructReimb@hecc.oregon.gov by first week of April, even year.

I. Statement of the Need

- A. What is the nature of the problem to which this project is the solution?
- B. Who in the community college's Facilities Unit is primary point of contact? Please provide pertinent contact information including: e-mail, telephone number, fax, and the address of all involved.
- C. Why is this project required by the community college at this time?
- D. What is the program purpose to be served (varies by program -- academic justification for academic projects, auxiliary need for auxiliaries, etc.)?
- E. Is this project related directly to another project preceding or following it, to which an approval is tied?
- F. Are there external factors driving the need or timing (donor relations, community agreements, funding deadlines imposed by federal agencies, etc.)?

II. Statement of the Proposed Solution

- A. What is the final proposed solution to this need?
- B. What goals were set for the project and what criteria were used to examine alternatives?
- C. What alternatives were then examined, to what level of detail, and what were the conclusions the campus reached concerning them?
- D. At what stage of maturity is the solution, i.e., early concept, initial planning, schematic design, design development, construction drawings, and/or fund-raising and other implementation?
- E. If this is a phased project, with some approvals already in existence, please provide such information.

III. Legislative Considerations

- A. Identify any possible conflicts with existing statutes (ORS), policies, regulations, etc. If known.

IV. Facility Information

- A. Provide standard information on the physical characteristics of the project: location (with an accompanying map(s) showing the parcel in relation to any existing campus and/or city involved; building gross square feet and assignable square feet; height, design features.
- B. Provide detailed information on the academic (or other program) features of the project, such as amount of assignable square footage for major uses (classrooms, offices, athletic fields, conference rooms, etc.).
- C. Provide estimated costs for the project, including planning and programming (if they will

be included in the funding request); refer to materials prepared. Include cost per net usable square foot.

- D. Summarize any campus-related facilities issues that are affected by the project (i.e., replacement parking, movement of existing facility, notice of hazardous material remediation, etc.).
- E. Identify any architect and/or project development firms the community college has been working with to analyze and develop the project.
- F. Provide a complete estimate of the total project budget, identify any consultants that participated in developing the project budget.

V. Schedule

- A. What is the expected schedule for beginning and completing this project?
- B. What elements are on the critical path for this project?

VI. Academic and Planning Considerations

- A. Has the proposal been examined considering the following and received necessary approvals from appropriate campus or municipal jurisdictions?
 1. Community college master plan and/or campus planning committee
 2. Community college academic plan
 3. Community college enrollment projections
 4. City and/or county master plan and zoning
 5. City and/or county design requirements
 6. City and/or county environmental issues, including traffic/parking
 7. City and/or county public information
- B. For each, please identify significant issues that have been investigated and resolved (i.e., competing land use, high-cost campus or city requirements exacted in return for approvals, neighborhood/municipal public concerns. If legal documents have been filed, please provide information on each.

VII. Financial Considerations

- A. How will the community college's financial contribution to this project be funded? If any form of financing is expected to be used to fund the contribution describe the specific nature, amount, source of repayment and term of the financing. *Complete Attachment B: HECC Capital Project Cost Summary in Excel and include in the final package submitted to HECC PFC.*
- B. Please state amount of Article XI-G Bonds requested and the source of the required match funds. When will matching funds be secured? *Complete the Attachment A: DAS Capital forms and include in the final package submitted to HECC PFC.*
- C. If an acquisition of a major property is desired, have you obtained?
 1. Tax assessor's statement
 2. Two independent appraisals
 3. Comparable sales information for similar facilities (if in rural areas, consider comparable from similarly sized towns)
 4. If leasing of the space to others will be part of future stream of payment, identify

estimated rents and tag to market

5. Other considerations that may be required after this level of review

- D. List source(s) of repayment for all community college debt proposed. If you have a complex plan for repayment, offer detailed information by fund source for the entire period of the bond.
- E. In cases where community college is leasing land to a Developer or third-party, over a long-term period, additional financial requirements will be placed, including, for example, the following:
 - 1. Review of Dunn and Bradstreet or similar ratings of financial performance.
 - 2. Review of past performance on related projects and any outstanding legal issues pertaining to them.

VIII. Legal Considerations

- A. Send electronic copies of all leases, easements, and related project support documentation, etc., in final package for review by HECC staff.

APPENDIX A - CAPITAL SCORING RUBRIC

Each institutional project will be graded using the rubric or grading sheet that follows:

Table 1: Community College Capital Project Review Criteria

Project Criteria (50 points possible)	Points
(a) Clearly serve an instructional purpose (directly support classroom, shop or lab teaching, basic skills teaching, customized training, tutoring, student testing and assessment, student advising or counseling and library services-first priority);	7
(b) Clearly meet an important demonstrated service need of the college (second priority)	7
(c) Clearly meet a facilities' need that cannot be adequately addressed (third priority)	7
(d) Clearly serve to complete a comprehensive community college facility (fourth priority)	7
(e) Clearly meet an important and articulated objective of the college (fifth priority)	7
(f) Clearly reflect evidence of local planning and needs assessment (sixth priority)	7
(g) Clearly reflect evidence of meeting an equity need as defined in the HECC Equity Lens (seventh priority)	8
Strategic Review Criteria (26 points possible)	
(h) Does the project update, replace, or expand safety and security on campus?	6
(j) Does the project meet a demand occupation, community, or economic need?	5
(k) Does the project include other partners; K-12, university, CTE, workforce, industry, etc....?	5
(m) Description of /or intention to meeting environmental sustainability standards	5
(n) Does the project support the upgrade, replacement, expansion of student services/spaces?	5
Due Diligence Criteria (24 points possible)	
(p) Statement of need (<i>nature of the problem and purpose to be served</i>)	5
(q) Statement of solution (<i>goals for the project</i>)	5
(r) Facility (<i>building gross square footage and academic features</i>)	5
(s) Costs (<i>estimated cost including planning and programming</i>)	3
(t) Schedule (<i>expected schedule for completion</i>)	2
(u) Planning considerations (<i>necessary approvals - appropriate jurisdictions</i>)	2
(v) Financial considerations (<i>funding for the college share</i>)	2
Total Possible Points	100

APPENDIX B: DAS AND HECC PFC REQUIRED FORMS

In accordance with the Department of Administrative Services’ Capital Instructions, send HECC the following files by April 15, even year. Please do not alter these forms because we are using them in a rollup or summary function.

- HECC Community College Major Construction Project Narrative 107BF11a

Higher Education Coordinating Commission - Public University / Community College Major Construction/Acquisition Project Narrative

Note: Complete a separate form for each project.

Public University or Community College:	Umpqua Community College	Project Type - indicate percent of budget in each category; total should add to 100%:	
Project Name:	Welcome Center & Medical Careers Training Hub	Planning/design	19%
Estimated Start Date:	July - August 2024	Land/real property acquisition	0%
Estimated Completion Date:	May 2026	New construction	81%
Total Estimated Project Cost¹:	\$ 17,351,225	Addition	0%
Cost per net usable square foot added or renovated:	\$ 510	Remodel	0%
		Total	100%

¹Include all costs regardless of proposed funding model, such as design and planning, hard and soft construction costs, land and real property acquisition, infrastructure development, furnishings and fixtures, contingencies, etc.

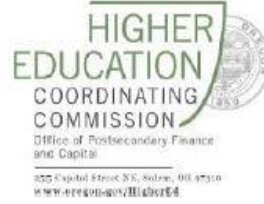
Project Summary (describe the nature and purpose of the project):

The Umpqua Community College Welcome Center and Medical Careers Training Hub would efficiently and effectively address critical needs of the current campus’s ability to equitably serve students and to meet the critical workforce needs of the health care industry in Douglas County. This building will create a front door to the campus that is welcoming to all members of the community and will create an ease of engagement from those signing up for degree and career preparation programs to community education and training. The Welcome Center will be the gateway into newly consolidated offices of admissions, advising, new student registration, financial aid, student accounts, and student records. Staff will be on hand to guide students with a mixture of online and in person services. Instructional space dedicated to medical careers program will provide lab space for specialize programs that are in high demand in Douglas County and beyond. Students are looking for increased health care careers training options. UCC turns away over 100 nursing student applications per year. These talented and motivated local individuals could be deployed in other high need health care careers to meet the need for medical professionals that is so acute in rural communities. These programs provide increased pathways to family-supporting wage jobs for underserved rural populations. UCC strives to create an environment that’s welcoming, that’s accessible, and that makes our students feel like they matter. This building will serve to match the institutions commitment to a ‘students first’ approach with accessibility and access to relevent programs and services.

Facility Details (describe specific details such as number of stories, square feet, type and number of components such as classrooms and labs):

The proposed two-story building will replace the existing one-story outdated Administrative building and will provide consolidated offices of admissions, advising, new student registration, financial services, and student records on the first floor, and instructional spaces dedicated to medical careers programs on the second floor. The expected size of the building is proposed at about 26,000 square feet. The number of instructional spaces are yet to be determined and will be designed in conjunction with UCCs community partners to accomodate the most needed medical trianing programs.

Funding Request			
Type of Funding Requested	Project Funding Amount Requested	Estimated Biennial Debt Service⁵	Debt Service⁵ Funding Source
General Funds/Lottery Funds			N/A
Article XI-F(1) Bond Proceeds ^{2,4}			Other Funds
Article XI-G Bond Proceeds ^{3,4}	\$ 8,000,000		General Fund
Article XI-Q Bond Proceeds ⁴			General Fund
Lottery Revenue Bonds			Lottery Funds
Total	\$ 8,000,000	\$ -	



CAPITAL PROJECT COST SUMMARY

Institution: _____

Project Title: _____

Priority Number: _____

Capital Construction/Capital Renewal Project Cost Summary/Cost Savings

	First Year	Second Year	Third Year	Fourth Year	Fifth Year	Total Project Costs
Land/Building Acquisition						
Professional Services						
Architectural Services						
Engineering Services						
Planning Services						
Other Expenses						
Construction Services						
Site Improvements						
Utility Improvements						
Cost of Construction						
Other Const. Services						
Equipment and Furnishings						
Equipment						
Furnishings						
Communications + IT						
Operational Savings						
Staffing						
Utilities						
Other						
Net Project Total:	0	0	0	0	0	0

* Note that bonded projects have a three year project spend plan.

APPENDIX C: DEFINITIONS

A project qualifies for HECC capital construction review and inclusion in the capital construction budget if it meets the criteria set out below:

Capital Asset means:

Life of more than one year;

A cost of at least \$5,000;

Real property;

Information technology;

Fixed equipment;

Movable equipment; or

Instructional or scientific equipment with a cost that exceeds \$50,000

Capital Construction includes:

Must be capital costs with a life of more than one year and a cost of at least \$5,000 (State's threshold); and

Acquisition of a capital asset or disposition of real property.

Construction, demolition, remodeling, or renovation of real property necessitated by changes in the program. Changes in the program may also incorporate the need to meet standards required by applicable codes; to improve energy conservation; to save costs for facility staffing, operations, or maintenance; or to improve appearance.

Demolition costs are only capitalizable as part of a new building or asset being added in its place.

Site improvements or development of real property (landscaping, upgraded utilities, signage etc.) that are capitalizable.

Installation of the fixed or moveable equipment necessary for the operation of new, remodeled, or renovated real property, if the fixed or movable equipment is initially housed in or on the real property upon completion of the new construction, renovation, or remodeling. The equipment must be capitalized as part of the construction project.

Installation of the fixed or movable equipment necessary for the conduct of programs in or on real property upon completion of the new construction, remodeling, or renovation. The equipment must be capitalized as part of the construction project.

Contracting for the services from architects, engineers, and other consultants to prepare plans, program documents, life-cycle cost studies, energy analyses and other studies associated with any

capital construction project and to supervise construction or execution of such capital construction.

Installation, development, or upgrade of information technology, including the purchase of services for the office of information technology on the condition that the use of such services is the most cost beneficial option or falls within the duties and responsibilities of the office of information technology or the office's chief information officer. Only the application development stage of IT systems is capitalizable, per GASB 51.

Preliminary planning including initial review of proposed projects for a) conformity with long-range development plans; b) technical and economic feasibility of the project; c) preparation of outline plans and specifications; or d) preparation of preliminary cost estimates. The State allows these costs if the asset location has been identified, as costs must be directly identifiable with a specific asset. A feasibility study to determine the best location would not be capitalizable.

A new construction or renovation, including the cost of initial design has the total cost normally of more than \$500,000.

Capital construction projects arise out of an institution's need to create, expand, relocate, or alter a program due to growth, advances in technology or changes in methods or program delivery. Requests addressing physical space requirements needed to accommodate particular functions, such as those traditionally included in facility programs, would constitute a "program-driven" request, and therefore, be considered a capital construction request.

Capital Renewal requests are classified and prioritized as capital budget requests. Capital Renewal requests have costs normally exceeding \$2.0 million in a fiscal year and include projects that are more cost-effective or better addressed by corrective repairs.

Completion: Community college completion rates show the percentage of students who earned an associate degree or career certificate or who transferred to any 4-year university nationwide, among students who were new to the institution in fall 2013, were not enrolled in dual credit/accelerated learning, and earned at least 18 quarter credits over 2 years or earned an award requiring fewer than 18 credits. This cohort reflects the degree-seeking cohort of the Voluntary Framework of Accountability (VFA) but with 4-year outcomes.

Rubric: A grading sheet or tool that the HECC uses to evaluate capital projects in a systematic way.

UNDERSERVED COMMUNITIES IN OREGON: For the State of Oregon as a whole (not education-specifically), a 2021 definition of historically and currently underserved communities includes Oregonians who are: Native Americans, members of Oregon's nine federally recognized tribes, American Indians, Alaska Natives; Black, Africans, African Americans; Latino/a/x, Hispanic; Asian, Pacific Islanders; Arab/Middle Eastern/North Africans; immigrants, refugees, asylum seekers; undocumented persons, DACA recipients, "Dreamers"; linguistically diverse; people with disabilities; LGBTQ+; aging/older adults; economically disadvantaged; farmworkers, and migrant workers. 5

UNDERSERVED STUDENTS AND LEARNERS: Students and learners whom education systems have historically failed to support or are currently failing to support sufficiently in the achievement of equitable outcomes. The specific categories of historically and currently underserved groups in the context of postsecondary education and training may vary by the specific outcome measure (for example, the disparities for college access differ from the disparities for college completion). For the HECC, postsecondary education equity will be achieved once one's identity/identities or demographic group/s—including but not limited to racial/ethnic identity, socio-economic background, dis/ability status, gender, sexual orientation, parental status, veteran status, and geographic origin or location—no longer predict inequitable access to and success in postsecondary education and training.

ATTACHMENT D – REAUTHORIZATION REQUEST SAMPLE

Any material changes in the project scope should be resubmitted as a project reauthorization. For example, changes in the magnitude of the project, the purpose of the project, the intended cost, the total gross square may merit additional approvals by the Legislature. Please see the sample letter that follows:

Institutional Letterhead

Office of Postsecondary Finance and Capital
Higher Education Coordinating Commission

This letter is being submitted to formally request a reauthorization of _____ Community College’s capital construction request. Our project, the _____, and funding request amount, \$_____, remain the same.

The project was legislatively approved by HB _____ in the _____ regular session. _____ Community College does not currently have the required match in place, or immediate plans to secure the match. We request legislative reauthorization in upcoming biennium to allow us time to do this in the next biennium.

Our legislative budget limitation may also need to be extended.

Thank you,

President

APPENDIX E: RELECTIONS ON EDA PROCESS

An EDA Capital Projects Grant Application Process Reflection by Klamath Community College.

IN GENERAL

KCC Grants suggest any entity pursuing this resource establish a connection with and maintain regular/ongoing (pleasantly persistent) outreach to the regional offices in Seattle, WA as well as their regional Economic Development District office. While EDA overall has been generally supportive throughout the application journey, it is possible to get “lost in the fray”.

As an example, KCC had started the venture with a program officer who had been tremendously helpful in addressing many of our early questions. Once we had submitted our Full Application, however, we hadn’t heard anything for nearly 3 months until we finally reached out to a senior official and were notified that a staff member was no longer with the agency. The subsequently assigned program officer, was generally pleasant and responsive as well-especially during a period of supplemental inquiry and response. That said, there was a period of *another* 3 months between her last email communication with our office and the final Award Notification.

The lesson learned is that it’s not a breach of agency/institution protocol to check in often and foster a few different connections within the agency if possible.

SETTING YOUR TIMELINE

Those accustomed to submitting proposals to and receiving awards from state and federal funders may have an expectation of approximately 3 to 6 months from submission to notification of award. KCC’s process was closer to 17 Months from submittal of the pre-application (March 2019) to Notice of Award (August 2020). There were some mitigating circumstances along the path, but we strongly encourage you to assess and adjust your project timeline accordingly-especially in terms of securing matching funds and/or if the EDA funding is a central catalyst for other funder participation (as it is for KCC).

FUNDING ELEMENTS CONSIDERATION

Initially, KCC had included both construction and equipment elements in our proposed budget. EDA representatives suggested we remove the equipment from the proposal to streamline consideration and final implementation.

EDA Representatives also suggested KCC reflect ONLY the project scope and required match that would be directly associated with their investment (in our case, we indicated HECC Capital funds for this purpose), anticipating that additional equipment associated with the project would be purchased with other revenues (e.g., a combination of Private Non-Profit Foundation grants and individual donor contributions).

ADDITIONAL COMPONENTS

Initial Activity

- **Pre-Application (March 2019)**
- **Full Application (June 2019)**

Supplemental Activity (Winter 2019-Spring 2020)

- **Environmental Report/Archeological Review/Cultural Survey:** While KCC submitted these components as part of the Full Application above, we were asked to make several updates and revisions as the process moved forward. Significant among these was the completion of a Cultural Survey & Archeological Review to ensure input from any potential Tribal stakeholders and meet the compliance requirements of Oregon's State Historical Preservation Office. NOTE: While prior iterations of EDA policy/practice allowed this activity to occur concurrently with the funding determination, NEW guidance requires documented completion prior to being able to move forward to panel review.
- **Engineering Report:** KCC was also asked to provide additional detail associated with this document-including campus Master Plan reference, a conceptual site plan, and topographical layout. EDA also requested building and utilities permitting documentation but were satisfied with an explanation that these would occur and be provided within the construction timeline.

Award (Summer 2020)

- **Notification:** The good news was that the award announcement occurred approximately 30 days before the timeline we had been given.
 - **Management:** We should note that the award management program officer assigned to KCC is different than the team we worked with on the application and review. This new EDA staff member comes from the private sector-which is positive in terms of local management.
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APPENDIX F: OREGON ADMINISTRATIVE RULE 589-003-0100

DIVISION 3

COMMUNITY COLLEGE CAPITAL PROJECTS

589-003-0100

Community College Capital Construction and Acquisition

(1) For the purposes of this rule, the following definitions apply:

(a) "Capital construction and acquisition" is defined as new construction, the purchase of existing buildings, remodeling, maintenance, equipment and Americans with Disabilities Act (ADA) projects;

(b) "New construction" is defined as the building of a new facility within the community college district or some significant addition to an existing facility;

(c) "Remodeling" is defined as the renovation, restoration, or repair of an existing college district facility, the result of which places the facility in a position to provide increased access for persons who are disabled, to accommodate new uses, or house expanded activities;

(d) "Maintenance" is defined as the renovation, restoration, repair, or replacement of any college district facilities system, or component part of such a system. Maintenance is distinguished from remodeling by the fact that it does not add to the value of the property or prolong the life of the property, but merely keeps the property in an operating condition over the useful life for which the property was acquired. Facilities systems include, but are not limited to, water systems, sewer and drainage systems, HVAC systems, light systems, road systems, electrical systems, carpets, floors, roofs, walkways, and parking lots;

(e) "Equipment" is defined as tangible personal property of a non-consumable nature, with a useful life of more than one year and a cost exceeding a dollar amount to be specified by the Office;

(f) ADA projects is defined as new construction, remodeling, maintenance or equipment needed to meet the requirements of the American with Disabilities Act as defined in Public Law 101-336, as amended by PL 110-325 and the 2010 ADAAG Standards;

(g) "Eligible Projects" is defined as any construction, remodeling, maintenance, ADA project, or equipment request not prohibited by state statute or administrative rule. ORS 341.933(1) prohibits the use of state funds for the construction of student or faculty housing, facilities for spectators at athletic events, recreational facilities, student health facilities, and noninstructional portions of student centers; and

(h) "Instructional Purpose" is defined as those activities that directly support classroom, shop, or laboratory teaching, basic skills teaching, customized training, tutoring, student testing and assessment, student advising or counseling, and library services.

(2) Colleges shall prepare five-year capital plans documenting their new construction, remodeling, maintenance, equipment and ADA project needs, and the projected costs of meeting these needs.

(3) The Commission shall rely upon the submitted capital plans for the development of capital construction requests made to the Department of Administrative Services and Legislature. The Commission shall approve all capital construction requests prior to submission to the Department of Administrative Services or Legislature.

(4) In its final budget request for new construction, remodeling, maintenance, equipment, and ADA projects, the Commission shall list these projects in priority order and assign higher relative rank based on criteria as displayed in Table 1, "Community College Capital Project Review Criteria."

(5) Pursuant to ORS 341.937, and notwithstanding section (4) of this rule, the Commission shall include amounts for capital improvements in its budget request for each biennium that will be applied to the substantial reduction and eventual elimination of barriers to access by disabled persons. These capital improvements may include, but are not limited to, ADA projects. The Commission shall identify the projects as separate items on the list of capital construction projects that it submits to the Executive Branch or Legislature. The inclusion of the budget requests for these projects shall be made after consultation with the community colleges and their representatives of the disabled community at the colleges. The Commission may also include these projects on the prioritized list of projects referenced in section (4) of this rule.

(6) New construction, remodeling, and ADA projects that include new construction, maintenance, or remodeling shall be subject to the following special considerations:

(a) The cost of necessary initial equipment for a new or remodeled facility shall be an allowable expense within a new construction, remodeling or ADA project request;

(b) The acquisition of an existing facility shall be deemed a capital construction project within the meaning of this rule;

(c) The costs of acquiring land shall not be an allowable expense within a capital construction request in those cases where the capital construction project involves the acquisition of an existing facility. In those cases, the attendant land must represent the smallest practical parcel of land that will serve the acquired facility;

(d) Property subject to a leasehold interest by the college shall be eligible for remodeling funds provided the leasehold extends for at least five years beyond the date of any stated funded improvements;

(e) In accordance with ORS 350.379, institutions of higher education will report to the Joint Committee of Ways and Means prior to February 1 of each year on the amount of work performed by apprentices, women, and minority individuals under qualified contracts.

(f) New construction projects must affect facilities within the boundaries of the requesting district. Remodeling projects in areas served under an existing contracted-out-of-district agreement shall be eligible projects provided such projects otherwise qualify under this rule.

(7) In addition to requests for new construction, remodeling and ADA project funds, the Commission may make requests to the Department of Administrative Services and the Legislature for equipment purchases. The Commission shall rely upon the submitted five-year capital plans for the development of such requests. The Commission shall consult with college officials prior to developing any proposed distribution methods for equipment funds. The Commission shall not request state funds for equipment

purchases that would support programs associated with those ineligible facilities listed in ORS 341.933(1).

(8) Commission requests for capital construction projects shall comply with ORS 286A.860 and 2013 Oregon Laws, Chapter 705. The matching of state bond funds shall come from sources which may include tuition, local property tax revenues, local bond issues, gifts, grants, or other sources. The matching amount may not consist of proceeds of debt incurred by the State under any other article of the Oregon Constitution. A community college district must provide an accounting of all funds expended for any project or purchase subject to this rule. A community college may not have more than one project approved for funding with general obligation bonds authorized to be issued under Article XI-G of the Oregon Constitution. The aggregate amount authorized for issuance of state general obligation bonds under Article XI-G of the Oregon Constitution for projects at a single community college may not exceed \$8 million.

(9) The board of a community college district applying for state funds appropriated for new construction, remodeling, maintenance, or ADA new construction or remodeling project purposes shall submit plans, or reasonable estimates as appropriate, of the proposed project to the director prior to receiving any appropriation for such project. These plans shall include pertinent construction or remodeling documents and cost estimates. Upon approval of the project plans, the district may proceed to obtain bids and award construction or remodeling contracts.

(10) Upon award of the new construction, remodeling or ADA project funding, the Director shall set aside those state funds appropriated for the project. The agency shall distribute project funds to the district in periodic payments related to the progress of construction or remodeling. The amount paid to the district may not exceed:

(a) The state share of the capital construction and acquisition costs; or (b) The amount appropriated for capital construction and acquisition costs, whichever is less.

(11) If, prior to completion of the capital construction and acquisition project, it is found necessary or desirable to substantially modify the contract or specifications covering construction or remodeling, the district must submit such modifications to the Director for approval.

(12) The community college district shall submit such records and reports during the construction or remodeling period and after completion thereof as the Director may require.

(13) The board of a community college district applying for state funds appropriated for equipment purchases shall prepare detailed descriptions of the purchases or projects. These descriptions shall be submitted to the Director along with pertinent specifications and cost estimates. Upon approval of the descriptions, the district may proceed to obtain bids and award contracts.

(14) Upon award of the grant to the college, the Director shall set aside those state funds appropriated for the equipment purchases. The Office shall distribute the equipment funds to the district on a schedule to be determined by the Director after consulting with the affected district. The amount paid to the district may not exceed:

(a) The state share of the equipment costs; or

(b) The amount appropriated for the equipment costs, whichever is less.

(15) If, at any time, it is found necessary or desirable to modify substantially a planned equipment purchase, the district must submit such modifications to the Director for approval.

(16) The community college district shall submit such records and reports during and after the equipment purchase as the Director may require.

(17) Title to any real and/or personal property items acquired under this rule is vested with the individual college receiving state funding at the time the college acquires the real and personal property.

Statutory/Other Authority: ORS 294.356, 326.051, 341.933

Statutes/Other Implemented: ORS 341.933, 341.937

