



University of Colorado at Boulder

CU-Boulder Student Capital Construction Fee

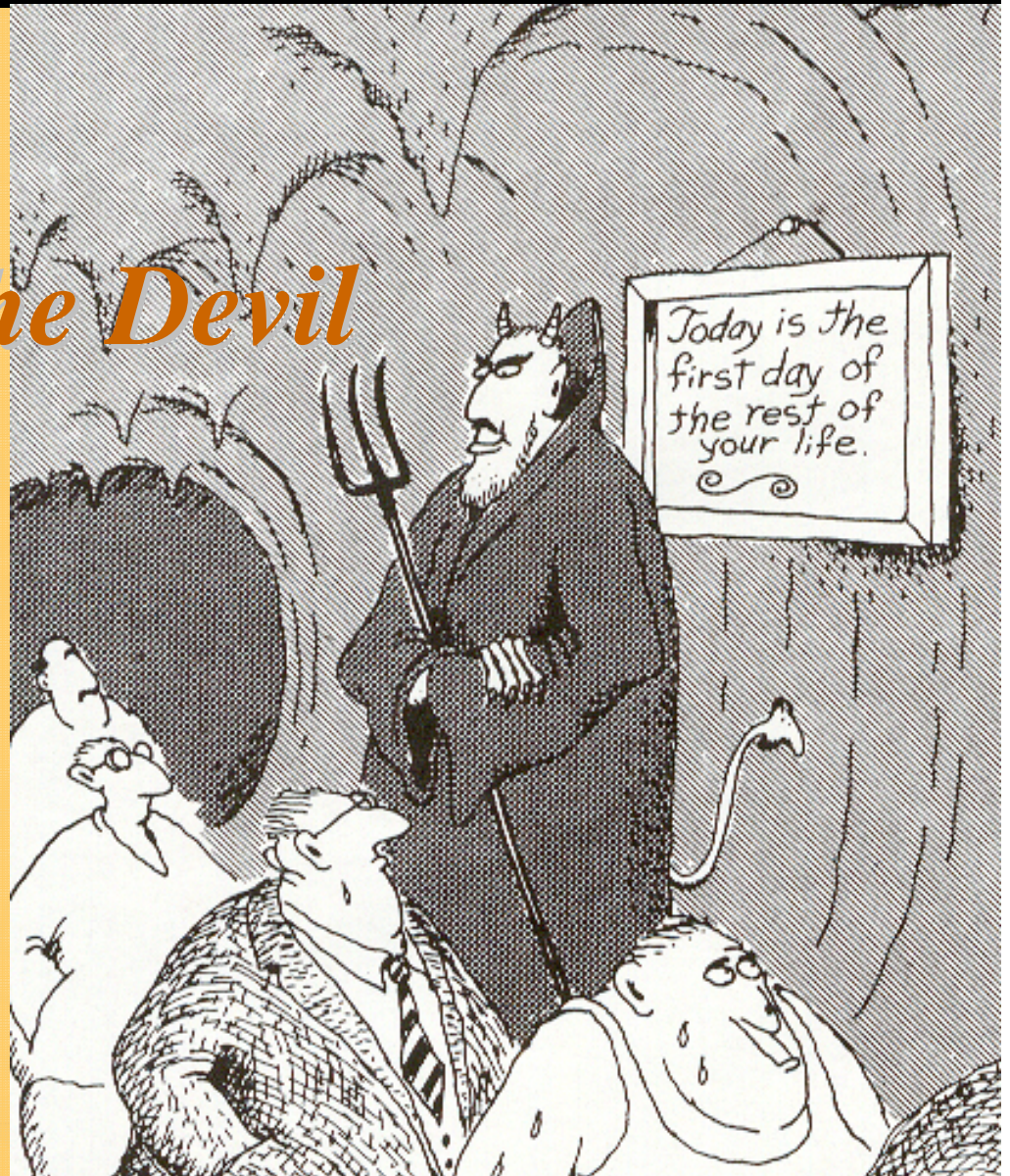


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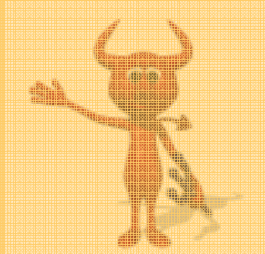
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AKA:

Sleeping With the Devil



Campus Has Historically Relied on the
State to Partner in Funding Academic
Buildings, but....



...Since FY 01- 02 the
State of Colorado has Appropriated
no Funds to Capital Projects....

...Due to the Tabor, Gallagher and
Amendment 23 Problems



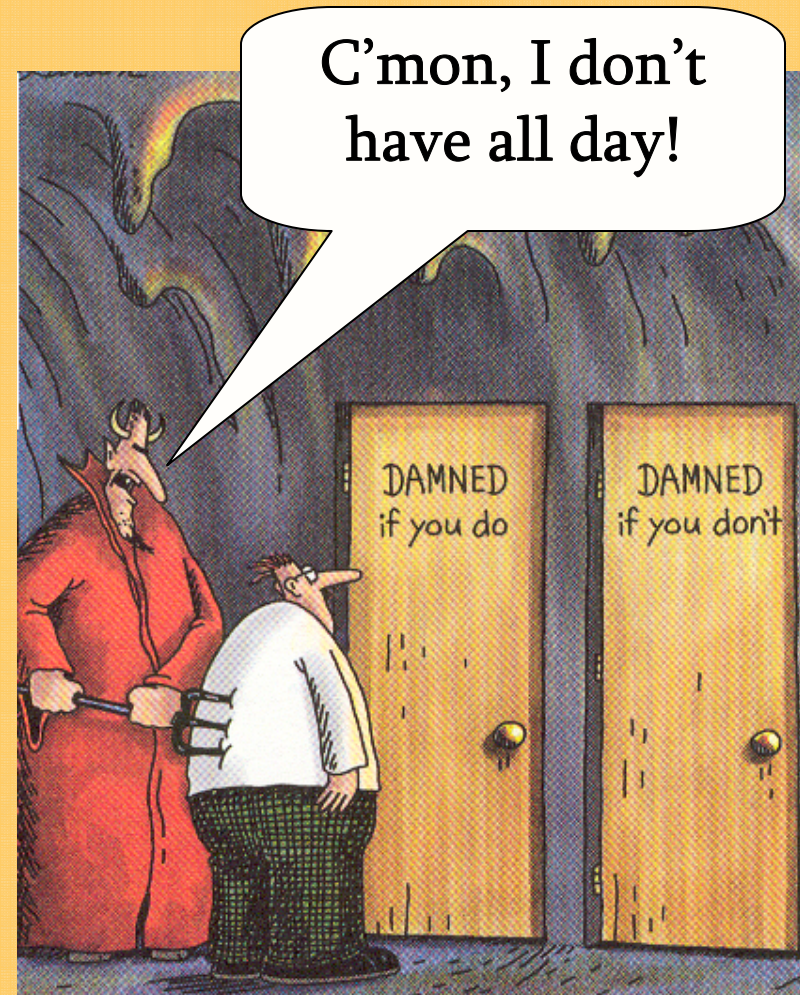
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Forming the Perfect Fiscal Storm

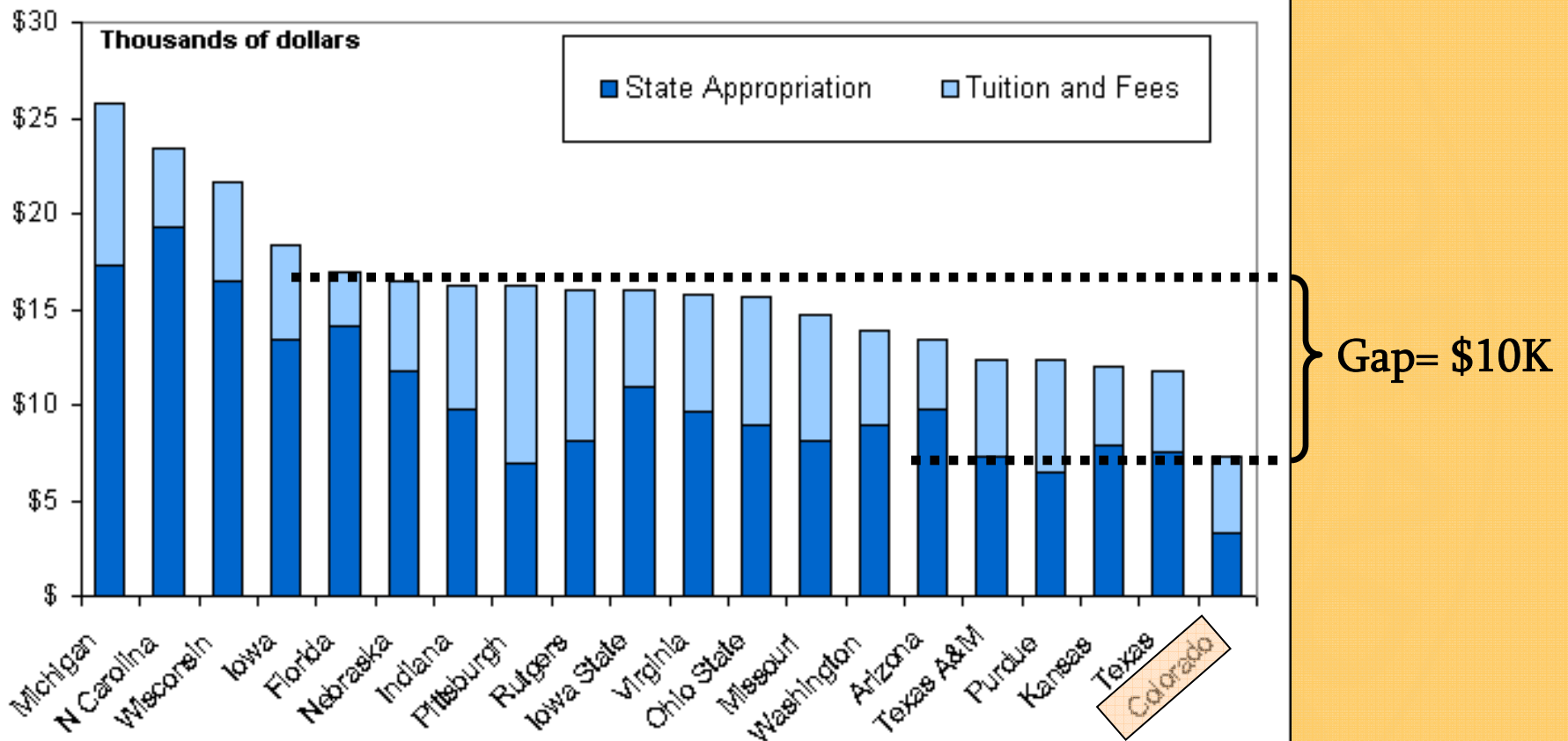


- March 2000
CU Cuts \$500K Journals
- Sept. 2001
\$340M Construction Stopped
- November 2001
CU Cuts \$920K
- Oct. 2002
23 Lay-offs
- Nov. 2002
15 Additional Lay-offs
Unpaid Furloughs
Travel Cutbacks
- May 2003
Law School Loses 5 Faculty
Law School Accreditation Threatened



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2003 State Tax Support and Resident Tuition

Colorado is 3rd Lowest in per Capita Funding....

Yet 7th Highest in per Capita Income

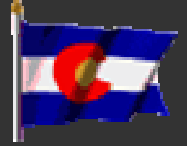


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The Quality of the University was
Threatened Through the Inability of the
State to Fix it's Financial Crisis

And

The Accreditation of the Law School was
Threatened



CU Contributes to Colorado's Economy

- For Each \$1 in State General Fund Support, \$1.01 is Recaptured by CO in Taxes
- For Each \$1 in State General Fund Support, CU Adds \$16.64 to the CO economy
 - One of the highest rates of return for any state university nationally
- CU Students Spent More Than \$742M in CO
- Fitzsimons Redevelopment Expected to Generate More than 23,000 Jobs (indirect and induced)

Top Ten Public Universities in NSF Federal Research Expenditures in 2002

| <u>INSTITUTION</u> | <u>Rank</u> | <u>\$ in thousands</u> |
|-------------------------------|-------------|------------------------|
| U. of Washington | 1 | \$487,059 |
| University of Michigan | 2 | \$444,255 |
| U.CA Los Angeles | 3 | \$366,762 |
| U. CA San Diego | 4 | \$359,383 |
| U. WI Madison | 5 | \$345,003 |
| University of Colorado | 6 | \$340,466 |
| U. CA San Francisco | 7 | \$327,393 |
| University of Pittsburgh | 8 | \$306,913 |
| University of Minnesota | 9 | \$295,301 |
| Pennsylvania State U | 10 | \$284,706 |

Disciplines:

3rd in physical sciences

4th in environmental sciences

7th in psychology

7th in social sciences

3rd largest increase in federal research dollars



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Return on State Appropriations

(Based on NSF-Tracked Federal Expenditures)

| <u>Rank</u> | <u>University</u> | <u>Federal R&D Rec'd</u> | <u>State Appropriations</u> | <u>Ratio</u> |
|-------------|---|----------------------------------|---------------------------------|--------------|
| 1 | Oregon Health and Sciences University | \$130,231,000 | \$42,890,000 | \$3.04 |
| 2 | University of Colorado at Boulder | \$178,027,000 | \$58,692,575 | \$3.03 |
| 3 | University of Colorado Health Sciences Center | \$159,274,000 | \$55,984,067 | \$2.84 |
| 4 | University of Colorado System | \$340,466,000 | \$155,172,842 | \$2.19 |
| 5 | University of California San Francisco | \$327,393,000 | \$163,835,000 | \$2.00 |
| 6 | University of Pittsburgh | \$306,913,000 | \$163,336,000 | \$1.88 |
| 7 | University of Washington | \$487,059,000 | \$317,707,000 | \$1.53 |
| 8 | University of Virginia | \$152,358,000 | \$111,490,000 | \$1.37 |



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State Revenue Outlook FY2005 to FY 2008

REVENUE UPDATE

Legislative Council--Sept 2004

| Revenues | FY 2005 | FY 2006 | FY 2007 | FY 2008 | FY 2009 |
|---|----------------|----------------|----------------|----------------|----------------|
| Beginning GF Reserve | 345.9 | 251.7 | 235.4 | 241.9 | 256.4 |
| Gross GF Revenues | 6,028.9 | 6,457.3 | 6,903.4 | 7,337.7 | 7,777.0 |
| SB 97-1 Transfer | - | - | - | (56.2) | (51.0) |
| Paybacks to Other Funds | - | - | - | - | - |
| Transfers from Other Funds | 26.5 | 31.2 | 30.5 | 30.1 | 34.1 |
| Transfer to Older Coloradan's Act | (1.5) | (2.0) | (2.0) | (2.0) | (2.0) |
| TABOR Surplus Liability | (114.1) | (459.2) | (674.6) | (665.3) | (722.9) |
| Total GF Available | 6,285.7 | 6,279.0 | 6,492.7 | 6,886.2 | 7,291.6 |
| GF Expenditures | | | | | |
| GF Appropriations | 5,795.9 | 6,149.1 | 6,238.9 | 6,409.7 | 6,794.3 |
| Reduction to Balance Budget | - | (263.3) | (192.0) | - | - |
| Actual Appropriations | 5,801.0 | 5,885.8 | 6,046.9 | 6,409.7 | 6,794.3 |
| Statutory Required Expenditures | 110.6 | 138.1 | 196.5 | 200.1 | 206.1 |
| Capital Construction Transfers | 41.0 | 6.7 | 7.4 | 20.0 | 19.4 |
| Transportation Transfers | 81.5 | 13.1 | - | - | - |
| Accounting Adjustments | - | - | - | - | - |
| TOTAL GF OBLIGATIONS | 6,034.1 | 6,043.7 | 6,250.8 | 6,629.8 | 7,019.8 |
| Year End GF Reserve | 251.7 | 235.4 | 241.9 | 256.4 | 271.8 |
| Statutory Reserve | 232.0 | 235.4 | 241.9 | 256.4 | 271.8 |
| Money's in excess of Statutory GF Reserve | 19.7 | - | - | - | - |

Stuck Between a Rock and a Hard Place



Then..... the
Student Capital Construction Fee was Conceived

May 2004

■ UCSU - Selling the Idea

– Largest Student Government in Country

- \$24 Million Budget
- Three Branches of Government

– Thursday Evening Hearings

- Devalued Degree
- Political Alliances Formed
- Appropriateness of Fee Vs. Value
- Considered Social Implications

Projects Funded

| Projects | SF | Cost |
|------------------------|-------------|---------------|
| 1. Law School | 178K | \$46M |
| 2. ATLAS | 66K | \$30M |
| 3. Business School | 91K | \$26M |
| 4. Visual Arts Complex | 148K | \$45M |
| 5. IT Infrastructure | --- | <u>\$13M</u> |
| Total | 483K | \$160M |





Carlos Garcia; Director of the Student Union-

"Watch what you ask for, the students will be the clients from hell!"



Our Old Client

vs.

Our New

Client

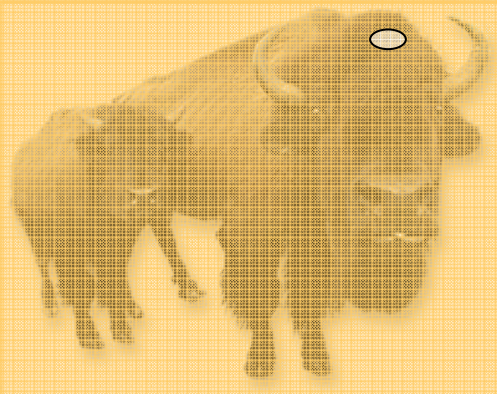


Other Capital Fees

| <u>State</u> | <u>Fee Name</u> | <u>Amount</u> |
|--------------|---------------------------|--------------------|
| Idaho | Academic Facilities Fee | ? |
| Indiana | Academic Facilities Fee | ? |
| Michigan | Infrastructure Maint. Fee | \$185 /Term |
| Missouri | Capital Improvement Fee | \$5 /Semester |
| Montana | Classroom Repair Fee | \$2 /Credit Hour |
| Nebraska | Facilities Fees | \$3 /Credit Hour |
| Penn | Instructional Fee | \$212 / Semester |
| S. Dakota | Education Facilities Fund | \$13 / Credit Hour |
| Washington | Building Fee | 3%-11% Tuition |
| W. Virginia | Capital Fee | \$125 /Semester |

Fee Structure

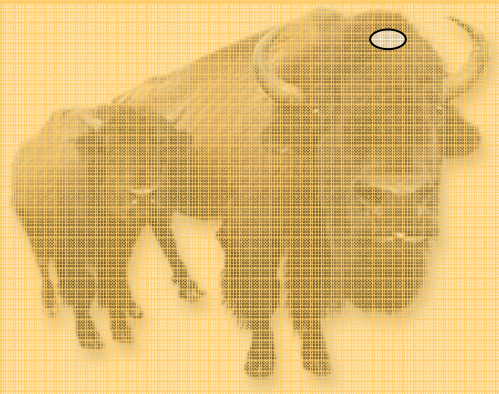
What do you
mean another
fee?



- \$400/Year – 20 years
- Implemented w/ Occupancy of First Bldg. - Fall 2006
- 17% for Financial Aid
- 20% for Student Projects
- LEED Certified 
 - Required Silver
 - +1% Budget Toward Gold

Fee Structure

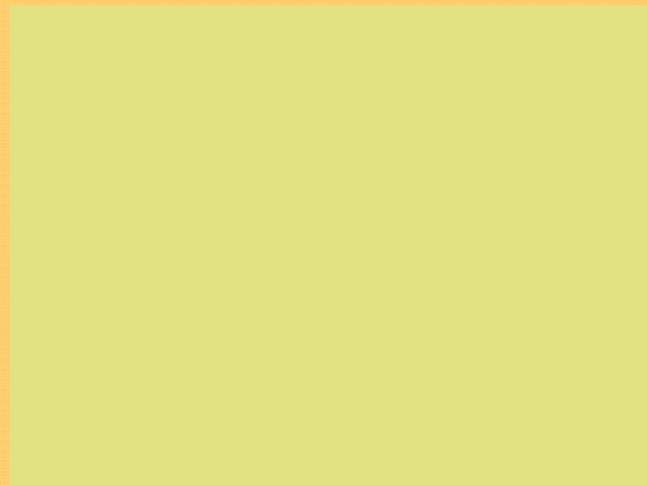
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- Participation in Space Assignment
- Unisex Bathrooms



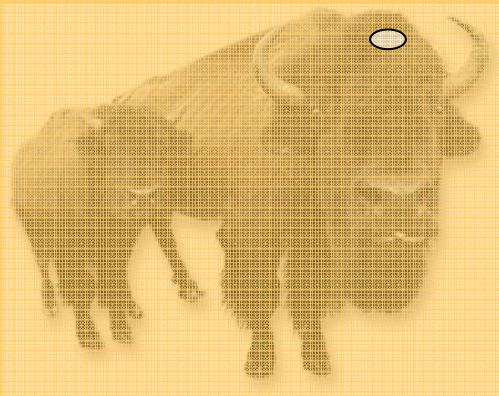
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**Birthplace of The
Transitional Trans-Gendered Restroom**

Fee Structure

What do you
mean another
fee?



- \$400/Year – 20 years
- Implemented w/ Occupancy of First Bldg. - Fall 2006
- 17% for Financial Aid
- 20% for Student Projects
- LEED Certified 
- Participation in Space Assignment
- Unisex Bathrooms
- 5% Renewable Electricity
- Plaque

• Contractor Pre-qualifications

- Prevailing Wages
- Adequate Health Care Benefits
- Safe Working Conditions
- Apprenticeship Programs
- Safe Staffing Plan
- Union Status or Right to Form Unions





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It's Rooted in the Way They're Raised

■ Implementation

June 2004

- Formed HEAT and SHE
- Hired a Consultant (CLEP)
 - Students Involved in Entire Process
 - Students Wanted Joint Checks
 - Began Negotiations on Qualifications
- Building Redesign
 - Strict Timetable
 - Best Value Based Awards
 - No Budget Increase

- Negotiations Begin
 - Met With Students

July 2004

■ Negotiations Begin

July 2004

- Met With Students
- Attendees Included:
 - Pipefitters Local #208
 - Colorado Pipe Trades
 - Denver labor Federation
 - International Brotherhood of Electrical Workers Union
 - Colorado Building & Trades Council
 - Union Attorney
 - Front Range Economic Status Center



September 2004

■ CLEP Notices Advertisement

- Testing Agency
- Why Weren't They Consulted?



September 2004

■ CLEP Notices Advertisement

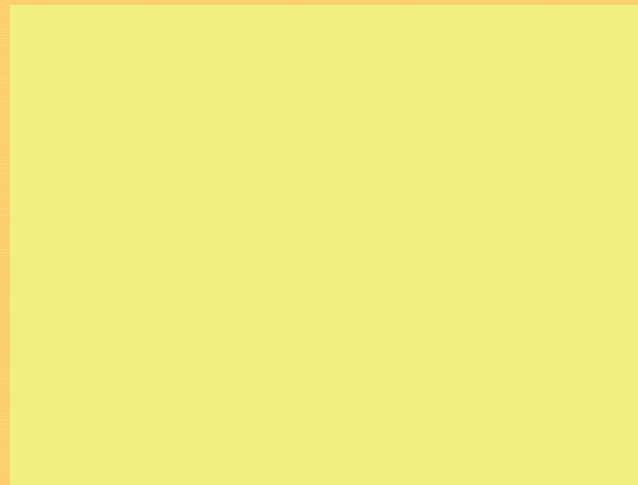
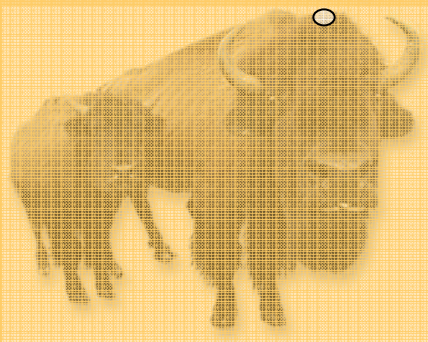
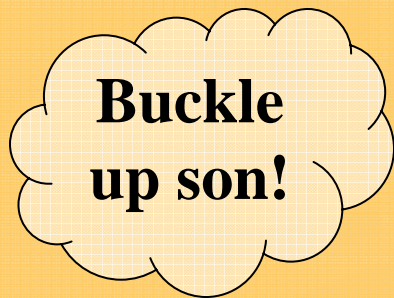
- Testing Agency
- Why Weren't They Consulted?
- Students Realize They Could Negotiate
More Time Up Front for More
Time Later

■ Continuing Involvement

- Project Monitoring Teams
- CM @ Risk
- Pre-qualifying Each Sub on Each Bid Package
- Communication is at Night



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**Some of Us Can
Learn New Ways**

■ In the Midst

- Named # 1 Party School
 - Princeton review
- Fraternity Member Dies From Alcohol
- Football Program / Problems
- Athletic Director Resigned
- Grand Jury Report Leaked

■ In the Midst

- Chancellor Resigned
- Ward Churchill
 - Quote Heard Around the World
- President Resigned
- 19 % Drop in Applications
- Students Felt Degrees Had De-valued
- Alleged Jon Benet Sighting!

- In the Midst (on a personal note)
 - Grandson Born



Precious or What?

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Voted 2004 Best Baby by Santa and Reindeers

- In the Midst (The Whining Phase)
 - Grandson Born
 - Chaired Physical Plant Director Search
 - PM Quit on \$30M Project
 - Introduced Balanced Scorecard
 - Infusion of Other Capital Funds
 - Redefined Construction Standards

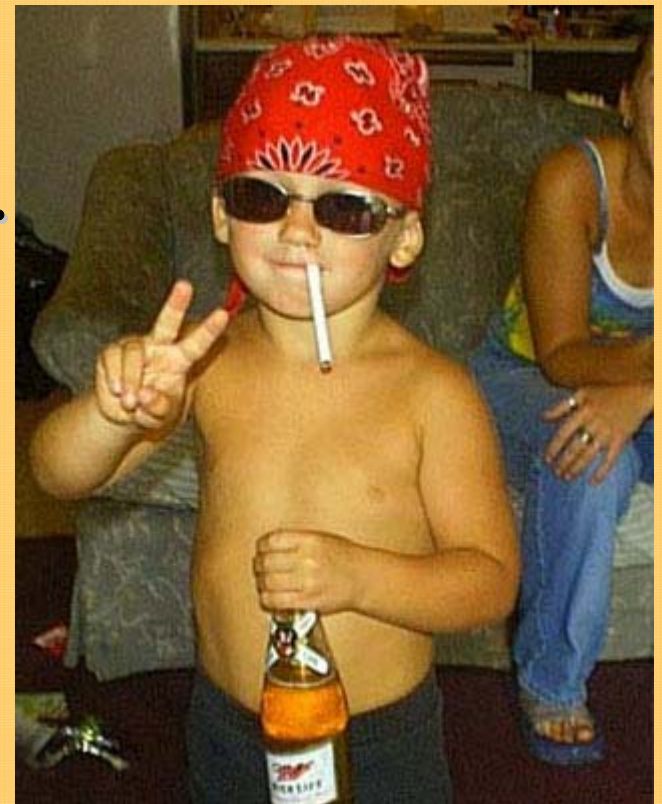


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What's Your Dream?

■ Is it Worth it?

- Busiest We've Been in Years,
- It's Been Interesting,
- It Makes You Feel Young...
- And Old at the Same Time.



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Elwin Goes Wild.....Again

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Law Dean

I hope the union
doesn't catch
me!



Concurrent



Sessions