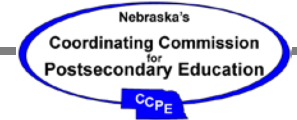


# Executive Summary



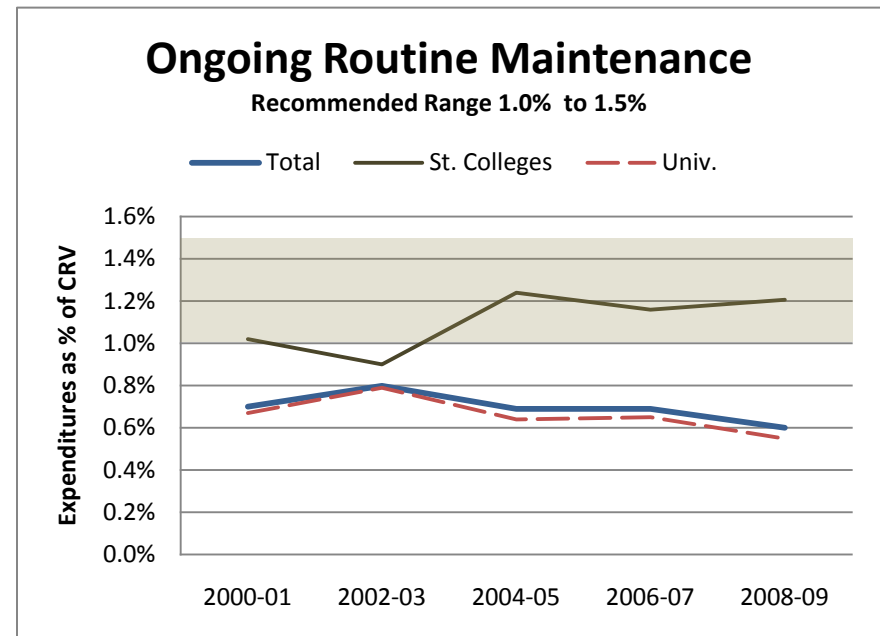
The Coordinating Commission for Postsecondary Education provides funding and priority recommendations for the Nebraska State College's, the University of Nebraska's and the Nebraska College of Technical Agriculture at Curtis' capital construction requests, as outlined in Nebraska's Constitution and Statutes. The overarching principle used in this process is to provide safe, functional, well-utilized and well-maintained facilities that support institutional efforts to provide exemplary programs.

To prevent our higher education facilities from aging too quickly, funding in three areas are needed to address our existing facilities needs. These three funding areas involve ongoing routine maintenance, deferred repair and renovation/remodeling.

The Commission has identified ongoing routine maintenance and deferred repair as the two essential areas in which state and institutional funding are needed during the next biennium.

- **Routine Facility Maintenance** - Funding is needed to provide systematic day-to-day maintenance to prevent or control the rate of deterioration of facilities. This work is funded from institutional operating budgets, with each campus controlling the amount of building maintenance funds expended. The type of work associated with ongoing routine maintenance includes preventive maintenance, minor repairs and routine inspections to building systems. Consistent with nationally recognized standards, the Commission recommends that funding for routine maintenance of facilities be between 1% and 1.5% of facility

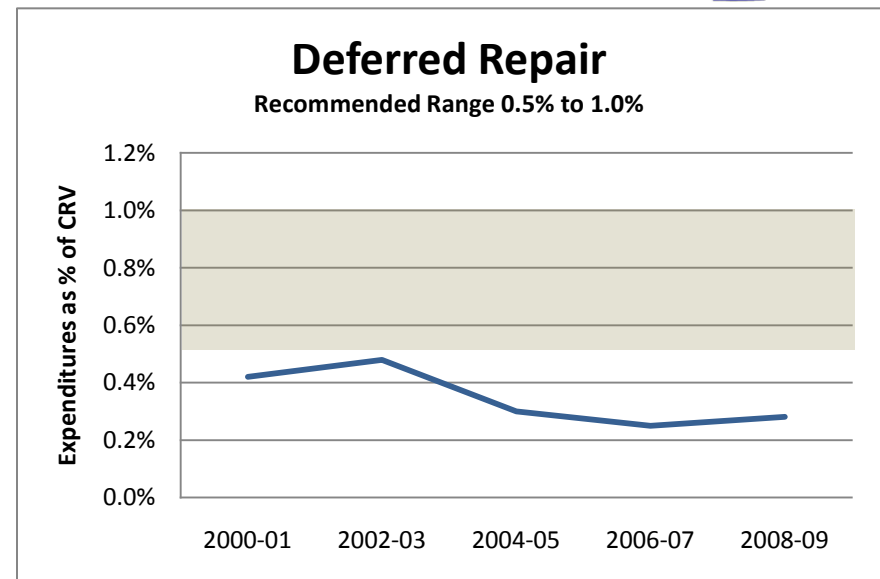
replacement values. This would amount to between \$27 million and \$40.5 million per year. Actual combined university and state college funding for routine maintenance averaged 0.6% of state-supported facilities' replacement values per year during the 2007-2009 biennium. The combined dollar amount allocated by the university, state colleges and NCTA for routine maintenance averaged \$15.4 million per year during the 2007-2009 biennium. The following chart shows the trend in institutional routine maintenance expenditures for the past eight years. The trend indicates a gradual decline in institutional expenditures for routine maintenance as a percentage of their state-supported facilities' current replacement value (CRV).



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It is critical for the long-term stewardship of these facilities to continue to provide ongoing state support to operate and maintain approved capital construction projects and for institutions to place an appropriate priority on adequately funding building maintenance in their operating budgets. A lack of adequate routine maintenance accelerates taxpayers' obligations to fund deferred repair and renovation needs in the future.

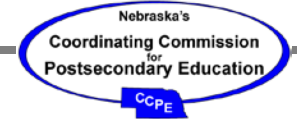
- **Deferred Repair** - This work involves major repair and replacement of building systems needed to keep a facility usable. Work includes items such as roof replacement, masonry tuck-pointing and window replacement. These items are not normally contained in an annual operating budget. However, institutions have been using operating funds to match Building Renewal Allocation Funds and to address some of their more urgent repair needs. Recommended funding for deferred repair of facilities is between 0.5% and 1% of facilities' replacement values. During the 2007-2009 biennium, the LB 309 Task Force for Building Renewal and institutions combined to allocate \$11.29 million (averaging 0.28% of facility replacement values per year) for deferred repair of state college, university and NCTA state-supported facilities. The following chart shows the trend in deferred repair expenditures for the past eight years. The trend indicates a gradual decline in expenditures for deferred repair as a percentage of their state-supported facilities' current replacement value (CRV).



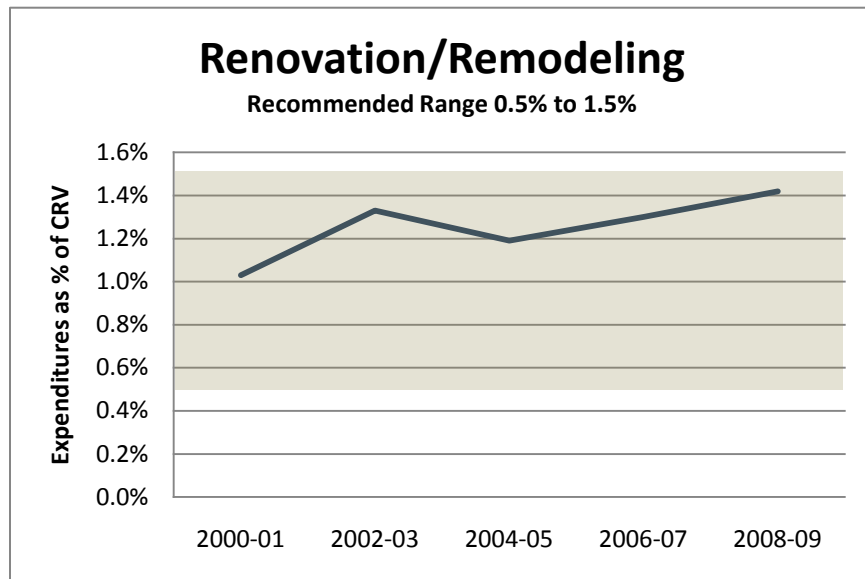
The Commission would support an increase in funds for the LB 309 Task Force for Building Renewal in order to bring expenditures for deferred repair back up towards minimum recommended funding levels.

- **Renovation/Remodeling** - Aging building systems will eventually result in the need to renovate a facility. Programmatic changes can also create the need for remodeling. Recommended funding for renovation and remodeling is between 0.5% and 1.5% of facility replacement values. Renovation and remodeling funding during the 2007-2009 biennium averaged about \$38.84 million per year (1.41% of the replacement value of university and state colleges' state-supported facilities). Funding sources for renovation and remodeling include:

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state appropriations and tuition surcharges for the LB 1100 and LB 605 renovation and deferred repair initiatives; University Building Renewal Assessment Fund and State College Building Renewal Assessment Fund allocations; institutional operating budget expenditures; and private donations. The following chart shows the trend in institutional renovation/remodeling expenditures for the past eight years. The trend indicates an increase in expenditures for renovation/remodeling as a percentage of state-supported facilities' current replacement value (CRV).



The Commission recommends continued reaffirmation funding of the LB 605 initiatives and, as funding becomes available, continued direct appropriations for individual renovation/remodeling projects.

Section I of the report provides additional detail on routine facility maintenance and deferred repair needs at our public postsecondary education institutions.

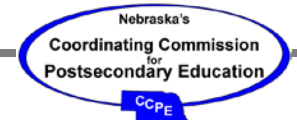
The Commission's funding recommendations are provided in Section IV of the report, including recommended funding modifications to LB 309 Task Force for Building Renewal requests and two institutional requests.

The Commission prioritized 15 capital construction requests for the 2011-2013 biennium. The Commission's prioritized list is intended to identify from a statewide perspective what the most urgent capital construction needs are for the coming biennium and to assist the Governor and Legislature in developing a strategy to address these needs. The Commission uses 10 weighted criteria to evaluate individual capital construction project requests in developing a list of statewide priorities. The percentage resulting from these criteria's cumulative point total establishes the recommended funding order of capital projects. In developing the prioritization process, a primary goal of the Commission is to protect building occupants and prevent further deterioration of the state's existing physical assets. The following list shows approved capital construction project requests in priority order with the amount of state tax funds recommended. Section V of the report provides additional detail on the prioritization process and the individual points assigned to each request.

- #1 LB 309 Fire and Life Safety - Class I requests (\$8.68 million in state tax funds)

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- #2 WSC Carhart Science Building renovation/addition (\$7.67 million in state tax funds)
- #3 (tie) LB 309 Deferred Repair - Class I requests (\$30.50 million in state tax funds)
- #3 (tie) WSC U.S. Conn Library renovation planning (\$150,000 in state tax funds)
- #5 CSC Armstrong Physical Education Building addition/renov. (\$14.70 million in state tax funds)
- #6 (tie) CSC Rangeland Center (\$4.77 million in state tax funds)
- #6 (tie) PSC Health & Fitness Complex renovation planning (\$60,000 in state tax funds)
- #8 LB 309 Energy Conservation - Class I requests (\$12.13 million in state tax funds)
- #9 LB 309 Americans with Disabilities Act - Class I requests (\$1.01 million in state tax funds)
- #10 LB 309 Fire and Life Safety - Class II requests (\$434,500 in state tax funds)
- #11 UNMC College of Nursing – Lincoln Division Building (\$16.33 million in state tax funds)
- #12 PSC Biomass Energy Center planning (\$35,000 in state tax funds)
- #13 LB 309 Deferred Repair - Class II requests (\$3.87 million in state tax funds)
- #14 LB 309 Energy Conservation - Class II requests (\$2.01 million in state tax funds)
- #15 LB 309 Americans with Disabilities Act - Class II requests (\$771,000 in state tax funds)