**Commission for Higher Education – Capital Project Review Criteria**

Provided by Commission Staff 1-24-12

**Overview**

As higher education capital projects are submitted to the Commission for consideration, Commission staff examines each project to better understand the project, the fiscal and academic impact of the project, and other variables to consider when preparing staff recommendations for the Commissions deliberations and review. The following includes criteria that Commission staff use when analyzing and preparing a higher education capital project to be considered by the Commission.

**Criteria**

* Overall cost of the project:
  + The overall cost of the project and the components.
  + Cost components of the project. Look to insure all components are included in the project including structure, infrastructures, furniture, fixtures, equipment, etc.
  + Impact to the operational costs of the campus. Examine potential changes in operational costs and how they will be paid for or where savings will be directed.
* Funding for the project:
  + Determine how the project is to be funded and what revenues make up the funds to be used in order to cover the cost of the project.
  + Inquire if all funds are in hand, or if funds will be made available throughout the construction of the project. Determine the cash flow for the project.
  + If funding is from the state, determine if funding has been appropriated for the project.
  + If debt is to be issued for a project, determine the repayment method for the debt and the financial impact to the institution and students.
  + Current outstanding debt of the institution overall and for specific areas: housing, general debt, parking debt, etc.
  + Use of outside funding for the project. Matching funds or donated funds compared to the overall cost.
* Cost Metrics:
  + Determine the cost per square foot and compare to other similar projects reviewed by the Commission in the past.
  + Depending on the type of project, the time in which previous projects were reviewed, inquire about abnormal costs per square foot and seek additional information.
  + If a project has addition cost metrics (residence halls, new stadium) examine other cost metrics such as per bed costs, per seat costs, or other cost metrics for comparative purposes.
  + Comparisons are made mostly against other IN postsecondary public institutions, but institutions do provide other peer institutions outside of IN.
* Student and Academic Impact:
  + Does the project improve student educational attainment or improve academic quality?
  + Provide the impact to the students/campus if the project is not completed or approved.
  + Does the project address health and safety issues on campus where students, faculty or staff are in danger?
  + Classify the projects as academic or non-academic (auxiliary).
  + Potential impact to students financially based on the cost of the projects. Higher fees or costs to the students or use of current funds (reserves).
* Space and Utilization Considerations:
  + The priority ranking of the project among other capital projects at the campus.
  + The overall long-term capital plan for the campus and how the project fits within the plan.
  + Utilization of the building/project by students, faculty and staff. Current utilization of other similar buildings on campus.
  + Overall space impact of the project. Changes in overall space to the campus based on type of space (academic, office, auxiliary, etc)
* Other Considerations
  + The Board of Trustee’s review of the project and their questions.
  + The impact of the project not being approved by the Commission.
  + Other projects or programs that could be funded if the project is not approved.