

APPENDIX #1: CAPITAL CONSTRUCTION FEE BILL

Session: 60

Bill Number: 60LCB15

Description:

The bill counteracts the Colorado General Assembly’s inability to fund higher education, primarily due to restrictions imposed by the Tax Payers Bill of Rights (TABOR) and Amendment 23. This bill represents the support of the UCSU to institute a capital construction fee to pay for critical campus infrastructure.

Bill:

April 15, 2004

60LCB#15

Capital Construction

Amended 3

Sponsored by:

Richard Murray

Tri-Executive

Senator

Brian Mason

Law School Co-

President

Eugene Pearson

2nd Vice

Authored by:
Executive

Richard Murray

Tri-

Co-Senator

Brian Mason

Law School

A Bill

Bill History

A preeminent university must constantly strive to achieve its mission, maintain its reputation, and increase its renown. One critical component of this is the

construction of new buildings. Academic excellence requires top facilities, both to attract and retain top faculty and to best serve a well-qualified student body, and to preserve and enhance the value of a CU-Boulder degree.

The University of Colorado is a state-financed institution. However, state funding for the University of Colorado has plummeted in the last few years. In the last two years alone, the State has reduced its funding to CU by 22%. The current political situation suggests that funding will continue to decrease until State support for the University of Colorado is next to nothing. As it is, the State contributes less than 8% of CU's operating costs every year.

One of the first items cut by State legislators, over three years ago, was funding for capital construction projects. This has left CU at a severe competitive disadvantage with her sister universities nationwide, and even with her privately funded in-state competitors.

The need for capital construction at the University of Colorado at Boulder is great. Countless classrooms campus-wide have deteriorated nearly beyond repair; CHEM 140 is one critical example. Technology standards have changed so much that many buildings are not equipped to handle the modern technological needs of students. A planned building using the latest learning technology is currently stalled. Most egregiously, several buildings cannot physically accommodate the number of students they are supposed to serve. The American Bar Association, for example, has threatened to revoke accreditation for CU's Law School unless a new building is constructed. The Business School is also extremely overcrowded: it was completed in 1970 to accommodate 1,700 students and now has an enrollment of over 3,000 students.

The obvious and most desired solution to this funding crisis is for the State to increase funding to the University. Unfortunately, however, the realities of the Colorado political and financial landscape make that scenario impossible. So the question remains, do we allow these facilities

to deteriorate further and permit the academic mission and reputation of the University to fall as well? Or do we take corrective action?

The necessary step is corrective action.

This bill expresses support for and would introduce a student fee for capital construction projects campus wide. The fee would be used to build critical campus infrastructure and renovate deteriorating facilities and classrooms.

In order for our education to remain first class and to preserve the value of our degrees over the long term, we must take corrective action. Adoption of this measure is a critical step toward meeting that goal. Without this building fee, the campus will have no capital construction or capital renovation for the foreseeable future.

All of the projects have both a direct and indirect benefit to all students at the University of Colorado at Boulder. The prestige and reputation of high-ranking programs on campus benefit all students of the past, present, and future. Our Law School has dropped ten spots in this year's rankings and will continue to decline without new facilities. The Leeds School of Business may experience a similar decline in reputation and rankings without the introduction of adequate facilities. The drop in prestige of these campus institutions hurts the reputation of the entire university. Furthermore, the lack of technologically advanced facilities negatively impacts students from all disciplines. These capital construction projects will address these pressing needs.

All of these projects will help the University at large. For example, the Alliance for Technology, Learning and Society (ATLAS) building will benefit students from a variety of degree seeking backgrounds. It is expected that 6,000 students from throughout the campus will take classes in the ATLAS Building each year. Arts and Sciences students will benefit enormously from the ATLAS building through large amounts of new classroom space. Students from many fields, however, will benefit from the construction of this building. Music students will benefit from the Performance Studio, a nearly 3000 square feet, 2 1/2 story high "black box" dedicated entirely to student instruction and projects in the

performing and creative arts. Music can expect to make significant use of this space as well as the adjoining 1000 square feet production studio. Journalism students will profit from the 1000 square feet production studio, adjoined by excellent recording spaces. This studio will be used as the main production-teaching studio for the School of Journalism and Mass Communication. In addition, the building contains five state of the art video editing booths that SJMC students will use extensively. And, a large number of SJMC students are enrolled in ATLAS Technology, Arts and Media courses, which will be held in the new building.

The University of Colorado is made up of world-class students and faculty. Over its long history, the University has built a well-deserved reputation of excellence. That standard of excellence is now threatened. It is threatened by a funding crisis and the inability to construct buildings, which would implement the academic mission of the University. We, as student leaders, must act now to enhance the academic mission of our school and to preserve the value of our degrees over the years and decades to come.

Bill Summary

The bill counteracts the Colorado General Assembly's inability to fund higher education, primarily due to restrictions imposed by the Tax Payers Bill of Rights (TABOR) and Amendment 23. This bill represents the support of the UCSU to institute a capital construction fee to pay for critical campus infrastructure.

BE IT ENACTED by the Legislative Council of the University of Colorado Student Union, THAT:

SECTION 1: UCSU supports the implementation of a capital construction fee, which will be used to pay off the bonds or other obligations related to the bond for the buildings for a period no longer than twenty (20) years after completion of the construction of the buildings referenced in Section Three and after the bonds for the four pending projects have been issued.

SECTION 2: Twenty percent (20%) of the funds collected through this fee must be applied towards need-based financial aid in order to assist undergraduate and graduate students with the burden of increased costs.

SECTION 3: After financial aid funds are subtracted, 78% of the remaining balance of fee revenue may be pledged or applied to pay directly or repay obligations issued to finance the costs of construction and related financial costs of each of the four campus capital projects, which were previously slated to receive state funding support:

Law School: max. construction costs supported by fee revenue = \$21,200,000 + inflation

Business School: max. construction costs supported by fee revenue = \$16,100,000 + inflation

ATLAS Building: max. construction costs supported by fee revenue = \$20,700,000 + inflation

IT Infrastructure: max. construction costs supported by fee revenue = \$13,300,000 + inflation

SECTION 4: After financial aid funds are subtracted, 22% of the remaining balance of fee revenue will be used to pay off a bond or other obligations for construction of the Visual Arts Complex for a period no longer than twenty-five (25) years after completion of the construction of the building and after the bond for the project has been issued. UCSU will work with BCPC and the Chancellor's

Executive Committee in order to advance along the project with the appropriate approvals needed in order to begin fundraising.

SECTION 5: The building will be designed and certified as meeting the Leadership in Energy and Environmental Design (LEED) Silver standard of the US Green Building Council. The building will be designed to meet the LEED Gold standard, up to an incremental cost of 1% of the total capital project cost. The buildings will use 100% renewable electricity up to an incremental cost 10% above the total cost of electricity for the buildings. The electricity may come from a renewable on-campus source or a Green-E Certified off-campus source.

SECTION 6: Each of the buildings constructed with this fee must have gender neutral/family restroom facilities.

SECTION 7: Each building must have a plaque located at the main entrance that states:

“The (NAME OF THE BUILDING) was constructed with student fees and is dedicated to the students of the University of Colorado at Boulder. The University of Colorado Student Union made this building possible by supporting a capital construction fee when the State of Colorado would not fund capital projects in higher education.”

SECTION 8: The actual collection of the fee will begin when the first building is completed; consequently, interest will accumulate on debt obligations during construction of the four capital projects. The fee will begin at an increment no higher than \$100 in the first academic year and will increase by \$100 increments per academic year to an amount no higher than \$400 per student pro-rated by student status according to the current policies of the Bursar (e.g. similar to the computing fee).

SECTION 9: The University of Colorado Student Union must be included in the discussion and decision process for space allocation in the existing Fleming Law Building.

SECTION 10: An advisory board to the Chancellor shall be instituted which will make recommendations and provide input on tuition and fees at the University of Colorado at Boulder. The board shall be composed of two faculty members chosen by the Boulder Faculty Assembly, two administrators, four students who will be two Tri Executives, one Legislative Council President and one speaker from the Council of Colleges and Schools. There will also be one Parent Association member, one member from the Alumni Association, one member from the University of Colorado Foundation and one ex officio member from the community at large.

SECTION 11: This fee will be administered as a temporary solution to the current state-funding crisis. Once the General Assembly is capable of funding capital construction at the University of Colorado and all bonds for the buildings have been paid, the UCSU Tri-Executives and Legislative Council will discontinue the fee.

SECTION 12: There shall be no contract or procurement for any construction on capital projects paid for by this fee until a UCSU designated committee or staff person has, in coordination with the appropriate administration, created a pre qualification process for bidding contractors to the extent allowable by law. This includes, but is not limited to standards such as safe and adequate apprenticeship programs graduating at least 30% of the company's "pre-journeyman" workers, a safe staffing plan, adequate health care benefits, a prevailing wage, union status, and worker's ability to organize a union. Preference will be given to union contractors if bids from a union and a non-union contractor come in at the same price. This section will be subject to state statutory requirement and subject to the approval of the office of state buildings.

SECTION 13: The Chancellor or the Chancellor's designee will come before the legislative council once during the fall semester and once during the spring semester during construction of the buildings and infrastructure and for the period

of not less than one year after completion of construction to give a report on the progress of the buildings.

SECTION 14: All projects funded through the fee, including Law, Business, and ATLAS are subject to central scheduling. In order to promote central scheduling, these individual schools must be in alliance with the rest of campus scheduling, excluding labs and lengthy classes.

SECTION 15: ENACTMENT: This bill shall take effect upon passage by Legislative Council and obtaining the signatures of the Tri-Executives.

April 15, 2004	PASSED	12-2-2
April 22, 2004	Tabled	
April 29, 2004	PASSED	15-2-0