

FLORIDA COLLEGE SYSTEM
Fixed Capital Outlay - PECO Project Prioritization
2019-20

The Division of Florida Colleges (DFC) annually prepares a three-year capital outlay list of projects.

The following project selection and prioritization process has been used to address program priorities that implement the statewide plan for program growth and quality improvement in education, and to facilitate greater economic development and growth in Florida.

Division staff reviewed college Capital Improvement Plan (CIP) information, which included 197 projects and \$2.6 billion in requested funding. In narrowing down the list, we identified each college's top two survey-recommended priorities. All projects which have been appropriated state funds and need additional funds to complete have also been included, and result in a few colleges having more than two projects.

These projects have been prioritized using the following five metrics, each with a maximum 10-point scale:

- **Return on Investment.** Return on Investment (ROI) has been identified by the Executive Office of the Governor as a main point of consideration for funding projects. Three factors have been combined for ROI: Benefit/cost ratio, life-cycle cost and space utilization. These three factors are weighted in total for a maximum of 10 points.
 - **Benefit/cost:** To address the state's (taxpayer's) ROI, the college's Benefit/cost ratio (as identified in the Economic Modeling Specialists Inc. or EMSI 2012-13 reports) is used, divided by the highest ratio (currently 4) and multiplied by 10 to assign points on a 10-point scale. This point total was then multiplied by a weight factor of 0.70.

Life-cycle cost: Projects are identified as either renovation, remodel, new construction/replacement or renovation/utilities and assigned an appropriate life/duration in years. Total project cost is divided by that duration to determine a cost per year and then divided by the applicable square footage of the project to determine a project life cycle cost in \$/sf. Using the Florida Department of Management Services 2016 Master Leasing Report, a cost to lease per square foot per year is identified using the location of the project. Subtracting the life-cycle cost from the annual leasing cost, dividing the difference by the life-cycle cost and then multiplying by 100 gives a return on investment. (For a Renovation/Utilities Upgrade project, or a project that does not involve an easily calculated \$/sf cost, use the EMSI Benefit Cost Ratio Conversion to 10 points scale number again as the Life-Cycle Cost Points – as indicated on the Scoring Worksheet.)
 - Points were then assigned based on the percentage return and multiplied by a weight factor of 0.20.
 - **Space utilization:** Each college's reported collegewide classroom and lab space utilization percentages for fall semester 2017 were averaged and assigned to their project(s). Based on the average space utilization percentage, points were assigned with the total multiplied by a weight factor of 0.10.
- **Program.** Projects that include or support High-Skill, High-Wage (HSHW) and/or STEM (science, technology, engineering, and math) programs are another point of consideration identified by the Executive Office of the Governor for improving the marketability of Florida's workforce and economy. Projects were evaluated and given points based on

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whether or not they housed identified STEM or HSHW program(s); whether or not they supported a program with general classroom or library spaces; whether or not they supported a program as a utility, infrastructure or basic shelter project; or didn't. The STEM Program must be identified as a program offered by the college and included on the Meta-Majors list under STEM, or be identified as a HSHW or STEM Occupation, or in an Enterprise Florida Inc. Targeted Industry per the latest Florida Statewide Demand Occupations List, or the most recent Regional Demand Occupations List. Survey recommendations for the space must align with program information provided.

- o **College Priority Order.** Projects were given points based on their order of priority request by the College. First priorities got 10 points; second priorities got 5 points; third priorities got 2.5 points, etc.

Age. Age is the factor used to gauge the general need of the proposed renovation, remodel, or replacement of the identified facility(ies) or system (utility/infrastructure). Multiple facilities, campus-wide or college-wide projects use an average age.

| <u>Age</u> | <u>Points</u> | <u>Age</u> | <u>Points</u> |
|-------------|---------------|-------------|---------------|
| 0-5 years | 0 | 31-35 years | 6 |
| 6-10 years | 1 | 36-40 years | 7 |
| 11-15 years | 2 | 41-45 years | 8 |
| 16-20 years | 3 | 46-50 years | 9 |
| 21-25 years | 4 | 51+ years | 10 |
| 26-30 years | 5 | | |

Percentage of funding available. Percentage of funding available is used for consideration of projects that already have partial funding. This allows projects with previously appropriated state funds and available local funds to advance in priority. The amount of funding available (both state appropriated and local) as a fraction of the total project cost, has been multiplied by 10 to assign points (81% funding available = 8.1 points).

The points are totaled for each project and sorted, highest to lowest, and the available FCS PECO project funds have been applied. We are still limited on the amount of available PECO funding, but we are proposing that projects be funded in lump sums so as to move projects off the list quicker.