The President should comment on the ability to cover the increase in costs considering the use of plant funds to bridge the cost of other capital projects until receipt of private donations or other revenues.

This project was originally budgeted at $45 million, with $20 million from State funds, $10 million from donor funds and $15 million from institutional funds. This was a 55% contribution of non-budgeted funds.

Project cost has increased by $14.3 million, partly to provide for growing programmatic needs that the building must accommodate. The CIP proposes that the increase be covered from additional institutional funds, bringing the contribution of non-budgeted funds to 66%.

Covering this cost increase will be difficult, as we will have to reallocate institutional funds and defer other important initiatives. In addition, we will strongly consider “shelling” some of the building space, to be fit-out in the future when we have available funding. We are committed to getting this building built, and will make the difficult choices needed to get it done.

We are committed to getting this building built because:

A. It is critically needed to support a very popular and fast growing undergraduate program in public policy and a high-priority campus-wide initiative to create the next generation of nonprofit-sector leaders and spur innovation in the field of philanthropy.

B. We need to meet the expectations of a very generous donor who has committed a significant endowment to support the School of Public Policy’s programmatic needs and plans for growth, in addition to the $10 million to construct the building.