

## Capital Improvement Planning Process

The capital planning process is based on the state biennium budgeting process. During the summer of even years the university system is required to prepare a six-year capital improvement plan for appropriated and self liquidated projects as well as a repair and renovation plan. GA provides instructions to all universities on preparation of the plans. For both appropriated and repair and renovation plans, GA's instructions provide direction of how to calculate a "target" dollar amount, not to be exceeded, for these two plans. The process for all three, six-year plans is managed by Facilities.

### **Timeline of preparation and submission of the six-year plans:**

Typically GA issued instruction for six-year capital plans in the July-August time frame of even years. The plan is usually due at GA in the October-November time frame in order to have the information ready in anticipation of the long session.

### ***Six-year appropriated capital plan:***

The first step in the process is for Facilities to produce a draft of the six-year plan which includes a list of capital projects generated by input from the sources listed below. At this stage, project budgets are preliminary.

- Previous biennium six-year capital plan:  
The capital improvement plan approved for the previous biennium submission.
- Strategic plan:  
Executive staff provides direction on strategic priorities. Strategic initiatives often have space requirements (School of Pharmacy, JSNN for example). Space requirements are assessed and determined by the Office of Space Management (OSM) and conveyed to Facilities. In addition, a member of the executive staff may provide preliminary space requirements directly to Facilities (JPDC for example).
- University space requirement plans:  
OSM provides input on campus space needs based on academic requirements, condition, capacity, and utilization parameters.
- Campus Infrastructure Master Plan:  
Periodically, Facilities updates master plans for campus infrastructure such as electric distribution, underground steam generation and distribution and chiller water generation and distribution. These documents provide direction regarding system capacities and condition and include a list of capital projects for example, construction of a new district chilled water plant and associated distribution piping. Campus infrastructure also includes providing for IT infrastructure.
- Campus Master Plan:

Approximately every five years the university updates the campus master plan. The plan provides a decision making tool for location of new facilities.

- **Facility Condition Assessment Program:**  
The State Construction Office conducts a campus wide facilities condition assessment every three years. The report indicates items requiring correction in priority order and includes items such as complete building renovations or demolitions.
2. The list is provided to the Vice Chancellor for Business Affairs for review and presentation to the Executive Staff along with the "target" dollar amount for the six-year plan. The Executive Staff provides input and prioritizes the projects. Projects with highest priorities are included in a list that totals the "target" amount calculated following GA instructions. These projects are considered for inclusion in the final draft of the six-year plan, while the remainder of the projects will not be included in the final draft of the six-year plan. All projects considered are kept on one list, with the projects to be included in the six-year plan listed "above the line" and the others "below the line".
  3. Facilities refine project budgets for the projects being considered in the final draft.
  4. The list is then presented to the Chancellor for approval and signature.
  5. All required back-up information is prepared on each project in the format required by GA.
  6. The six-year capital plan is submitted to GA.

#### **Timeline of projects in the plan:**

Typically on a project of significant size, GA will strongly encourage requesting advanced planning funds for the project, or about 10% of the total project budget (for example \$3M for a \$30M project). The intent is to allow the project programming and design phases to be completed with the 10% funding (this process takes approximately 18 months on a \$30M project), and then request the remaining 90% of the project funds in the subsequent legislative session.

For example, the schedule from approval to move in, for a \$30M classroom building would be as follows:

Project submitted as top priority: December 2010  
Project with advanced planning funding authorized: September 2011  
Designer selection: December 2011  
Construction Manager at Risk selection: March 2012  
Funding for construction authorized and approved: September 2012  
Programming and design complete: September 2013  
Construction start: October 2013  
Construction complete: October 2015  
Move in: November 2015



### **Short session:**

During the spring of even years, GA has dialogue with the campuses regarding fine tuning priorities of capital projects in the six-year plan for inclusion in potential short session capital improvement legislation. Depending on the economic outlook of the State and funding availability, the short session may include requests for construction the phase of previously approved projects or requests for advanced planning for new projects.

### ***Six-year Self Liquidated Capital Plan:***

1. The first step in the process is for Facilities to produce a draft of the six-year plan which includes a list of capital projects generated by input from the sources listed below. At this stage, project budgets are preliminary.
  - Previous biennium six-year self liquidated capital plan:  
The self liquidated capital improvement plan approved for the previous biennium submission.
  - Strategic plan:  
Executive Staff provides direction on strategic priorities.
  - Planning documents completed for any auxiliary - for example, the Strategic Housing Plan, Athletics Strategic Plan, and the Campus Recreation Needs Study.
  - Campus Transportation Master Plan:  
The plan provides direction regarding major parking facilities.
  - Campus Master Plan:  
Approximately every five years the university updates the campus master plan. The plan provides a decision-making tool for location of new facilities.
  - Facility Condition Assessment Program for Housing and Residence Life, Athletics, and Auxiliaries.
  - Financial plans prepared by Business Affairs in collaboration with self-supporting units that demonstrate funding availability via cash on hand or borrowing.
2. The list is provided to the Vice Chancellor for Business Affairs for review and presentation to the Executive Staff. The Executive Staff provides input and prioritizes the projects.
3. Facilities refines project budgets are then for the projects being considered in the final draft.
4. The list is then presented to the Chancellor for approval and signature.
5. All required backup information is prepared on each project in the format required by GA.

6. The six-year self-liquidated capital improvement plan is submitted to GA.
7. The debt issuance process is separate and not included in this narrative.

**Short session:**

During the spring of even years, GA issues instruction to the campuses regarding preparation of the self-liquidated bill for the short session. In general, only projects that are to start construction within 18 months of the instruction and funded through debt are allowed in the submission.

***Six-Year Repair and Renovation Plan:***

1. The first step in the process is for Facilities to produce a draft of the six-year plan within the "target" dollar amount for the six-year renovation plan, and with priorities. The plan is generated by input from the sources listed below.
  - Previous biennium six-year repair and renovation plan:  
The repair and renovation plan approved for the previous biennium submission.
  - University space requirement plans:  
OSM provides input on campus space needs based on academic requirements, condition, capacity, and utilization parameters. No new space may be constructed with repair and renovations funds.
  - Facility Condition Assessment Program:  
The State Construction Office conducts a campus-wide facilities condition assessment every three years. The report indicated items requiring correction in priority order and includes items such as complete building renovations or demolitions.
2. Facilities Design and Construction, Facilities Operations and the Office of Safety meet to prepare the draft.
3. The list is provided to the Vice Chancellor for Business Affairs for review and presentation to the Executive Staff along with the "target" dollar amount for the six-year repair and renovation plan.
4. The list is then presented to the Chancellor for approval and signature.
5. All required backup information is prepared on each project in the format required by GA.
6. The six-year repair and renovation plan is submitted to GA.

### **Every Year:**

In the summer of every year and contingent upon approval of repairs and renovation funds by the General Assembly, GA issues instructions to the campuses, including each campus repair and renovation funding, regarding submission of the fiscal year's repair and renovation projects.

1. The first step in the process is for Facilities to produce a draft of the fiscal year repair and renovations plan within the dollar amount provided by GA with priorities. The plan is generated by input from the sources listed below.
  - Previous biennium six-year repair and renovation plan:  
The repair and renovation plan approved for the previous biennium submission.
  - Facility Condition Assessment Program:  
The State Construction Office conducts a campus-wide facilities condition assessment every three years. The report indicates items requiring correction in priority order and includes items such as complete building renovations or demolitions.
2. Facilities Design and Construction, Facilities Operations and the Office of Safety meet to prepare a draft.
3. The list is provided to the Vice Chancellor for Business Affairs for review and presentation to the Executive Staff.
4. The list is then presented to the Chancellor for approval and signature.
5. All required back-up information is prepared on each project in the format required by GA.
6. The fiscal year repair and renovation plan is submitted to GA.