

**DEVELOPMENT  
OF  
THE STATE UNIVERSITY SYSTEM FIXED CAPITAL OUTLAY  
LEGISLATIVE BUDGET REQUEST**

## **Participants**

People that take part and share in the responsibility for developing and approving a budget request.

- Chancellor and DCU staff from the University Support Services and Academic Affairs areas
- Chief Education Financial Officer and CFO staff from the Office of Educational Facilities' Planning and Capital Budgets areas
- Board of Governors

## Composition

Documents that make up a budget request.

- The State University System Fixed Capital Outlay Legislative Budget Request includes:
  - Three-Year PECO Project Priority List
    - ❖ The Three-Year PECO Project Priority List, pursuant to Florida Statutes, is constrained based on revenue limits provided by the Commissioner of Education.
    - ❖ The list is to reflect a statewide plan for program growth and quality improvement.
    - ❖ It represents a statement of academic and academic support facilities needs.
    - ❖ It excludes facilities for self-supporting enterprises normally funded from enterprise revenue and excludes student activities related projects normally funded from Capital Improvement and Building Fee revenues.
  - Five-Year Capital Improvement Program Project List
    - ❖ The Five-Year Capital Improvement Program Project List is developed based on projects submitted by the universities and is not revenue constrained.
    - ❖ The first projects listed follow the project priorities set within the PECO List.
    - ❖ Other projects identified in the university lists are included, provided they are consistent with the respective university mission and are supportive to academic purposes.
    - ❖ This List is required pursuant to Florida Statutes.
  - Alec P. Courtelis Facilities Enhancement Challenge Grant Program Request
    - ❖ Pursuant to Florida Statutes, Facilities Enhancement Challenge Grant Program projects must support instruction or research, be included in the institutions= Five-Year Capital Improvement Program, and the private cash matching must be on deposit.
    - ❖ When the universities have projects eligible for challenge grant program funding, a challenge grant program list is prepared.
    - ❖ Initially, all eligible projects are included on the project list.
    - ❖ In January, actual cash collections are reported by the universities, resulting in some projects being removed and some new projects added.
    - ❖ A revised list is then submitted to the Governor and Legislature.

- Capital Improvement Fee (CIF) Project List (included approximately every third year)
  - ❖ Capital Improvement and Building Fees are authorized by Florida Statutes.
  - ❖ A CIF Project List is not submitted annually as part of the Fixed Capital Outlay Legislative Budget Request.
  - ❖ Generally, an appropriation is requested every three years based on availability of funds.
  - ❖ This fund source has been used for student-related projects such as student unions and recreational facilities or improvements.
  - ❖ The projects are financed from a combination of unobligated cash from fee collections and proceeds from the sale of bonds issued with a pledge of revenues from the two fees.
  
- Supplemental Special Request (included if necessary)
  - ❖ A supplemental special request may be developed to address issues that are not afforded from the SUS share of PECO funds and other SUS sources.
  - ❖ Such issues include critical deferred maintenance, ADA corrections, federal grant matches, and other special university building projects.
  
- Required Authorizations for Projects Constructed from Non-State Funds, Bond Issues, and Projects Constructed or Financed by Direct Support Organizations
  - ❖ Florida Statutes requires legislative approval to construct facilities from non-state funds if state general revenue is required to operate and maintain the facilities.
    - These projects normally include academic and student support facilities.
  - ❖ The Florida Constitution requires legislative approval of projects financed by revenue bonds.
    - Universities submit proposed projects to be financed in part or total from revenue bonds.
    - These projects include dormitories, parking garages, bookstores, etc. for which operating revenues are pledged to pay debt service.
  - ❖ Florida Statutes requires legislative approval of facilities constructed or financed by DSOs.
    - These projects typically include dormitories, athletic, research, and foreign facilities.

## Ingredients

Substantive things that are necessary to effectively perform and complete the task of developing a budget request.

- System and University Strategic Plans (programmatic plan) include approved missions, goals/objectives, offerings, enrollments, etc.
- Campus Master Plans (physical plan) including on-campus land uses and capital improvements including buildings, infrastructure, and recreational/open space. (Also includes off-campus impacts such as transportation, solid waste, stormwater, sewer, potable water, etc.)
- University Educational Plant Survey Recommendations provide an independent evaluation of what an institution has (space validation) and what it needs (needs assessment).
- University Capital Improvement Plans specifically identify and prioritize the need for major renovations of existing and for new academic and academic support facilities.
  - Provides detail information about each project scope and cost. (square foot, space type, budget).
- Construction Cost Data reflects actual construction costs of SUS facilities by space category per square foot.
- Inventory of Current Space reflects existing space in square feet by space category.
- Space Needs Standards reflect for each university a recommended square footage by space category for each student FTE.
- PECO Revenue Estimates/Allocations provide an annual budget limitation for a three-year period.

## Process

Actions that are required to develop and approve a budget request.

- Board of Governors adopts general guidelines for the development of the Legislative Budget Request
- Chancellor and the Education Chief Financial Officer provide instructions to staff for the preparation of the State University System Fixed Capital Outlay Legislative Budget Request
- Chancellor solicits and receives from each university a five-year capital improvement program
- Commissioner of Education provides the State University System PECO Allocation based on latest revenue estimate
- Division of Colleges and Universities staff from the Academic Programs and University Support Services Units and staff from the Office of Educational Facilities under the Chief Financial Officer evaluate the projects proposed by the universities for consistency with institutional mission, campus master plan, academic program approval status, plant survey recommendations, and building programs.
  - Also, reasonableness of cost estimates and project schedules and relative need considering formula space needs is examined.
- With input from the aforementioned parties, University Support Services Office and Office of Educational Facilities staffs prepare a proposed budget request that considers all elements of review and attempts to balance systemwide new construction requirements with other systemwide needs related to remodeling/renovation of older buildings, utilities/infrastructure, roadways, land acquisition, and changes in institutional mission and programs.
- Priorities are established and used for the development of the State University System's Legislative Budget Request.
  - The request addresses in priority order:
    - ❖ Continuation of the previous project priorities as determined by prior appropriations and last year's approved List
    - ❖ Utilities Infrastructure/Capital Renewal/Roofs
    - ❖ Renovation projects to meet current space needs

- ❖ Shared and joint-use facilities
  - ❖ Instructional, then research, followed by supporting space projects that will bring each university to the system average percentage of formula need
  - ❖ Special projects for urgent repairs, land acquisition, and matching funds
  - ❖ Projects to provide specialized space for a new academic program
  - ❖ Requests to increase the amount of initial construction funding for a project or to supplement available construction funds.
- Proposed budget request is reviewed and approved by the Chancellor before presentation to the Board of Governors for approval and subsequent transmittal to the Commissioner of Education, Governor's Office, and Legislature.

October 9, 2003