

April 3, 2020

**MEMORANDUM**

**TO:** University Presidents  
Chairs, University Board of Trustees  
Council of Academic Vice Presidents (CAVP)  
Council for Administrative & Financial Affairs (CAFA)  
SUS Facility Planners

**FROM:** Tim Jones  
Vice Chancellor, Finance/Administration and Chief Financial Officer

**SUBJECT:** 2021-22 Fixed Capital Outlay Budget Request Guidelines and Instructions

**DUE:** **July 1, 2020**

Sections 1001.74(12), 1011.40(1), and 1013.60, Florida Statutes, require each university to submit a legislative budget request for Fixed Capital Outlay (FCO) in the form of a Capital Improvement Plan (CIP), within established guidelines. On March 25, 2020, the Board of Governors proposed delegating authority to the Chancellor to develop the final guidelines for the FCO sections of the State University System's (SUS) Legislative Budget Request (LBR) for 2021-2022.

**The due date for submission of all CIPs is July 1, 2020.**

**What's New for 2021-22**

- ❖ Revised instructions & forms that include statutory requirements from 2019's Senate Bill 190.
- ❖ We have combined the LBR Guidelines and LBR Instructions into one document.
- ❖ A list of eligible projects now exists as the Education Plant Survey Recommended List, which is an easy reference tool for university staff. (See Exhibit A)

**Anticipated Schedule**

- July 1, 2020 CIPs due to Board of Governors from Board of Trustees
- August 14, 2020 Deadline for Board of Trustees to amend the CIP
- September 17, 2020 Board adopts LBR
- October 6, 2020 Board Workshop on LBR Components
- November 5, 2020 Board Amends LBR (PECO)
- March 2, 2021 Legislative Session Begins

## **CIP Submittal Process**

**Please note that finalized CIPs, completed in entirety, must be approved by the university board of trustees (BOT) no later than June 30, 2020** and subsequently submitted by each university's president to Mr. Tim Jones, Vice Chancellor, Finance & Administration and CFO, Board of Governors, as follows:

- Two (2) three-ring binders each containing a hard copy of the finalized, BOT-approved CIP.
- One (1) electronic copy of the finalized, BOT-approved CIP, in original format (Word or Excel only; no PDFs) uploaded to the Board of Governors' SUDS Portal [here](#). Note, a USB or CD submittal is no longer required.

**Failure to use the correct forms (with the latest revisions, formulas and formats) can limit staff's ability to fairly evaluate projects for suitable funding.** ALL current forms and instructions may be found [here](#).

After this submittal, any revisions or amendments to CIPs will be considered by the Board for inclusion in the LBR (or amended LBR) as appropriate.

Additional details regarding form modifications and requirements are included in the instructions below. Any questions regarding the submission process should be directed to Mr. Kenneth Ogletree at (850) 245-9254 or [Kenneth.Ogletree@flbog.edu](mailto:Kenneth.Ogletree@flbog.edu).

## **Directions for Completing the CIP**

### **Transmittal Letter (formerly Form CIP-1)**

The university president's Transmittal Letter is required and, while the format is open-ended, it must contain the following information:

- a. Signed by both the President **and** the Board Chair.
- b. Date BOT approved the CIP and a link to meeting materials.
- c. Explanation of major changes to the CIP since previous submittal.
- d. Primary university contact.
- e. All proposed Debt or P3 projects for FY 2021-22 that require legislative approval.
- f. Any reversions, re-appropriations or other special legislative fixed capital outlay (FCO) requests.

### **Summary of Projects**

The Summary of Projects is comprised of three sections: PECO Projects (Form CIP-2A), Capital Improvement Trust Fund (CITF) Projects (Form CIP-2B), and Supplemental Funding of PECO and/or CITF Projects (Form CIP-2C). The CIP-2A and CIP-2B must be separately prioritized. Projects with multiple funding sources should show the non-PECO/CITF funding on Form CIP-2C.

### **PECO Eligible Project Requests (Form CIP-2A)**

Only projects recommended on a university's most recent Educational Plant Survey should be included on Form CIP-2A. For a list of current PECO eligible projects, please see attached Exhibit A, *Educational Plant Survey Recommended Projects*. If the university has a project which is not survey recommended, please contact Mr. Ken Ogletree immediately.

Pursuant to section 1001.706(12), F.S., universities must include all incomplete PECO projects, i.e., those which have received a previous appropriation and require additional PECO funds to complete. Universities may include all survey-recommended projects on Form CIP-2A; however, the Board of Governors will only consider and score for inclusion on the Preliminary Selection Group those that are incomplete PECO projects and/or the top two priorities for each university. Points will be assigned using the PECO Points Methodology previously approved by the Board of Governors.

### **Capital Improvement Trust Fund (CITF) Projects (Form CIP-2B)**

As the title suggests, this section has been created to capture CITF projects.

### **Supplemental Funding (Form CIP-2C)**

The CIP-2C is intended to capture all other funding sources which will supplement a listed PECO or CITF project.

### **Project Detail (Form CIP-3)**

This form is to be completed for each project appearing on the Summary of Projects (CIP-2A, 2B & 2C).

Essentially, Remodeling is defined as the conversion of space to a different use or configuration, whereas Renovation is primarily restorative and aesthetic, and both terms are specifically defined in BOG Regulation 14.002 Definitions (proposed amend to 14.001). Both Remodeling and Renovation are to be presented on this form. Furthermore, while the CIP-3 was designed to support requests for building projects, the Narrative section should be completed for all projects, including renovation, remodeling, campus-wide utilities/infrastructure systems, etc. **The information on all components of the Form CIP-3 must be consistent.**

### **Project Narrative**

**All project information in this section must be updated prior to approval by the board of trustees.** The Narrative is devoted to defining the purpose, need, scope, and the relationship of the project to university objectives. It should be succinct, including only the significant information and justification. A detailed description of the programs to be supported by the project is not required. The greatest emphasis should be placed on problems resulting from inadequate facilities, solutions considered, and methods used to determine space needs.

If necessary, any extraordinary costs included in total project cost that are not directly related to the facility, such as extra utilities capacity or lines, special site preparation, ancillary roads and parking, etc. should be briefly explained, including a description of the basis used to develop the cost estimate.

### **1% Reserve Escrow**

As a result of SB 190, and effective with the FY20-21 legislative budget request, this section has been added to help address the requirements now found in section 1001.706(12)(c)1, Florida Statutes, which states, in part, “A plan is provided to reserve funds in an escrow account, specific to the project, into which shall be deposited each year an amount of funds equal to 1 percent of the total value of the building for future maintenance....”

This is applicable to new construction, remodeling or renovation that has not received an appropriation in a previous year; excludes maintenance projects.

Building value may be taken from the current insurable value or comparable documented replacement value; do not use the original project cost or depreciated value. Cite the basis/source of the valuation.

The source of funds may include currently available recurring funds; nonrecurring revenues may not be used as a source of the recurring contribution. Future additional state appropriations should not be identified as the funding source.

For new projects, the plan must be ready for implementation in the event an appropriation is provided for the project.

### **Building Space Description**

This section is devoted to reporting space type, square footage and estimated building construction cost for both new construction as well as remodeling and renovation.

Each Space Type (classroom, teaching lab, etc.) should be listed separately in order to report differences in the Net-to-Gross Conversion Factor. Only projects containing space types consistent with the nine (9) Educational and General (E&G) categories are eligible for PECO funding requests.

Remodeling projects resulting in additional space should reflect the applicable square footage by space type in the BEFORE and AFTER columns.

### **Project Component Costs & Projections**

This section is devoted to the reporting of budgeted costs for the various project components, including when said costs are anticipated to be incurred. Project costs not normally included within Building Cost should be reported in this section.

When a project results in square footage being added to the institution's space inventory, and the facility includes public space, pursuant to section 255.043, F. S., artwork funds must be requested.

Funds should be requested for items that are eligible as moveable furnishings and equipment. Conversely, fixed equipment, such as fume hoods and essential communication connectivity, necessary to make a building functional must be included within the estimated building cost rather than as moveable furnishings and equipment.

The standard project contingency is five percent (5%). The need for a contingency amount greater than the standard five percent (5%) should be explained in the Project Narrative section.

### **Project Funding**

This section must be updated annually. All additional sources of funds, both previously appropriated and/or anticipated from other sources, must be identified.