April 2, 2021

# 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 CFO

**SUBJECT:** 2022-23 Legislative Budget Request (LBR) Instructions for Fixed Capital Outlay

 [Capital Improvement Plan (CIP) submittal]

**DUE: July 1, 2021**

Sections 1001.706(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 2022-2023.

**The due date for submission of all CIPs is July 1, 2021.**

# What’s New for 2022-23

* Added a $2M threshold for reporting CITF projects.
* Further refined and simplified the instructions and forms.

# Anticipated Schedule

* July 1, 2021 CIPs due to Board of Governors from Board of Trustees
* August 9, 2021 Deadline for Board of Trustees to amend the CIP and resubmit
* September 1, 2021 Board of Governors adopts LBR to be submitted
* January 11, 2022 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, 2021** and subsequently submitted by each university’s president to Mr. Tim Jones, Vice Chancellor, Finance/Administration and CFO, Board of Governors, as follows:

* One (1) three-ring binder 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.

**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 on the Board website [here](https://www.flbog.edu/finance/fco-finance-information/technical-budget-instructions/).

After this submittal, amendments to CIPs may be considered by the Board for inclusion in the 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 Kristine Azzato at (850) 245-9503, Kristine.Azzato@flbog.edu or Kevin Pichard at (850) 245-0059, Kevin.Pichard@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, must contain the following information:

* 1. Signed by both the President **and** the Board Chair.
	2. Date BOT approved the CIP and a link to meeting materials.
	3. Explanation of major changes to the CIP since previous submittal.
	4. Primary university contact.
	5. List all proposed Debt/P3 projects for FY 2022-23 requiring Legislative (Back-of-Bill) authorization pursuant to s.1010.62 and s.1013.71, F.S.
	6. Any reversions, re-appropriations or other special legislative FCO requests.

# Summary of Projects

The Summary of Projects is comprised of three sections: PECO Projects (Form CIP-2**A**), Capital Improvement Trust Fund (CITF) Projects (Form CIP-2**B**), and Supplemental Funding of PECO and/or CITF Projects (Form CIP-2**C**). 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)

Pursuant to s. 1001.706(12), F.S., universities must include all incomplete PECO projects (i.e. received prior appropriation and require additional PECO funds to complete) on Form CIP-2A. **Please note, universities may include any Survey-Recommended project; however, pursuant to s. 1001.706(12), the Board of Governors will only consider/score those that are i) incomplete PECO projects and/or ii) the top two priorities for each university.** Points will be assigned using the PECO Points Methodology previously approved by the Board of Governors.

Only projects Recommended on a university’s most recent Educational Plant Survey may 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 a university has a project that is not survey recommended, please contact Ms. Kristine Azzato immediately.

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

As the title suggests, this section should reflect CITF projects with total project costs of $2 million or more.

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

The CIP-2C reflects all other funding sources that 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), whether new construction, remodeling or renovation.

Essentially, *Remodeling* is the rearrangement of space to a different use or configuration, whereas *Renovation* is primarily restorative and aesthetic, and are specifically defined in Board Regulation 14.001. *Remodeling* and *Renovation* projects with total costs of $2 million or more are to be reflected.

**The information in all sections of the CIP-3 must be consistent with that reflected on the CIP-2 (example: Total Project Costs on the CIP-2 should match the CIP-3).**

### Project Narrative

The Narrative is devoted to defining the purpose, need, scope, and the relationship of the project to university objectives, and it is required for all projects, including renovation, remodeling, campus-wide infrastructure, etc. It should be succinct and include only significant information and justification. A detailed description of the programs supported by the project is not required; the greatest emphasis should be placed on explaining/demonstrating the space need and solutions to problems resulting from inadequate facilities.

If necessary, any extraordinary costs included in total project cost, but 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.

If project includes non-PECO sources, such as donations, university funds, etc., please provide a brief description at the end of the Narrative, indicating amounts, sources and timing.

### 1% Reserve Escrow

Pursuant to s. 1001.706(12)(c) F.S., any new construction, remodeling or renovation project that had not received prior appropriation as of the FY20-21 LBR must provide for the following:

“*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*….”

**Failure to provide the 1% Reserve Escrow plan will result in the project being ineligible for ranking and inclusion in the preliminary selection group, per s. 1001.706(12), Florida Statute.**

Building value may be taken from the current insurable value or comparable documented replacement value (please specify in detail the source, accordingly), or it may be based on the calculation of “Building Value” per s. 1013.64(1), F.S. (i.e. NASF multiplied by the net-to-gross conversion factor multiplied by average new construction cost). Please do not use the original project cost or depreciated value.

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 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 rearrangement of 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.

If funding includes non-PECO sources, such as donations, auxiliary, contracts & grants, etc., please indicate each funding source and the entire ($) amount anticipated, even if the full amount is not anticipated until a later date (if necessary, describe the timing of such funds in the Narrative description near the top of the CIP-3). **Note: once a project has been scored/ranked and receives a PECO appropriation, the level of non-PECO funding cannot be decreased without Board approval.**