



BOARD OF REGENTS OF
THE UNIVERSITY SYSTEM OF GEORGIA


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MEMORANDUM

Date: June 3, 2013

To: USG Chief Financial Officers

From: Jim James 

Re: Capital Improvement Plan and Capital Funding Request
USG Presidents, USG Facilities Officers, Steve Wrigley, John Brown, Sandra Neuse, Alan Travis, BoR

Cc: Program Managers

Introduction

On April 8, 2013 Dr. Steve Wrigley, Executive Vice Chancellor of Administration provided background information related to the development of your Capital Improvement Plans. This memorandum requests that institutions now prioritize and submit capital funding requests for needed facilities improvements, using the two-phase process as described below.

Overview

The Four-Year Capital Improvement Plan outlines the institution's long-range facility needs, using a different approach than in the past.

First, please do not make any requests for planning money or construction funds for FY 15. Between major projects still in the pipeline, the need to fund additional Small Capital Projects, and a larger MRR request, the FY 15 request is already filled.

Second, for the FY 15 request for Small Capital Projects, which cost less than \$5 million, we will work from the list campuses submitted last year. If you had a project funded and need to submit another then please do so. If you did not have a project funded but wish to submit a new list or projects, the reasons why your priorities have changed should be noted.

Third, for the Capital Improvement Plan, please prepare in priority order your capital needs for FYs 16-19. We will submit a plan for a four-year period. Projects should be appropriately distributed throughout the four-year planning cycle and should reflect your institution's current strategic plan and physical master plan on file with the Board of Regents. Documentation of the correlation of requested projects and the strategic plan should be included in the narrative on the Capital Project Funding Request Forms.

The Capital Improvement Plan should reflect your capital priorities over the four-year period, excluding MRR. Projects may be major capital, small capital, new construction, additions, renovations, installation or replacement of significant utilities and/or infrastructure as well as land acquisitions. The capital improvement plan will not be

reserved solely for new construction of large buildings. Any project will be eligible, hence it is important you carefully set priorities on your campus before submitting your forms.

Please take into consideration as you set your priorities the data recently collected in the Space Utilization Study. As we have indicated, we will evaluate your requests based on what that data show your campus needs. **We strongly encourage you to focus on repurposing existing space and maximizing the use of your current facilities before considering new construction.** Funding is more likely to flow to such projects first rather than new construction, unless a strong case can be made for new construction using space utilization data.

Our goal is to produce a Capital Improvement Plan that is doable, and will be supported by the state's leadership. We will not submit a plan which is unrealistic and impossible to fund; in other words a "wish list". Please be sure that you submit your actual needs only for the four-year period.

Capital Review Process

The capital review process will include the review of the institution's Capital Improvement Plan and the Capital Project Funding Request for each project included in the four year plan. To minimize the effort required for the institutions, the capital review will be conducted as a two-phase process as described below.

Phase 1

Phase 1 of the capital planning review process, will include a review each institutions' Five-Year Capital Improvement Plans. A **Capital Project Funding Request – Phase 1** form should be submitted for each Major and Small Capital project included in the institution's Four-Year Capital Improvement Plan. Be sure to specify the anticipated Funding Year for each project in the capital plan, as well as the Priority for each project contained within a particular Funding Year (FY).

The institution's Four-Year Capital Improvement Plan should include the following forms:

- Capital Project Funding Request – Phase 1
 - Complete this one page (double-sided) form for each project in the institution's Four-Year Capital Improvement Plan
- Summary List for Four-Year Capital Projects
 - Complete this one-page summary form which will be used as a planning tool for a long-range view of the institution's capital needs

Phase 1 Forms Access and Submittal to BOR Facilities Office

Forms for the Phase 1 submittal process can be accessed by using the File Transfer Utility at the following link:

<https://www.usg.edu/ftu/CapitalProjects/>

Each institution should identify a Capital Request Coordinator to be responsible for accessing, compiling and submitting the final forms to the BoR Office of Real Estate & Facilities. The Capital Request Coordinator at each institution should contact your BoR Program Manager or Ashley Hutchins at (404) 962-3186 for your institution access code if you do not know it, however it is the same code used for your MRR submittal.

All completed forms should be submitted electronically using the File Transfer Utility program available through login at <https://www.usg.edu/ftu/CapitalProjects/> by **Friday, June 14, 2013**.

An integrated review of the institutions' Four-Year Capital Improvement Plans and the capital funding requests from the Phase 1 submittals will be conducted with staff from Facilities, Academic Affairs and Fiscal Affairs. Projects will be evaluated for academic and functional need. The results of the space utilization study will help drive the evaluation process.

Institutions will be notified if selected to continue into the Phase 2 planning process for projects that may be included in the FY 2015 capital funding request.

Phase 2

More in-depth project information and supporting documentation will be collected from the institutions using the Capital Projects Funding Request (CPFR) web-based tool. This tool will provide additional project and background information to support the funding request.

These projects will undergo further evaluation and projects will be prioritized for recommendation for the FY 2015 capital budget.

Process for BoR Five-Year Capital Projects Funding Request and FY 2015 Capital Projects Funding Request

| WHAT | WHEN | WHO |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|-----------------------------------------|
| PHASE 1 (Conceptual Short Form) | | |
| 1 Distribute the Five-Year Capital Projects Funding Request Forms via the FTU site | May 17, 2013 | OREF |
| 2 Campuses submit their Five-Year Capital Projects Funding Requests to the BoR via upload to FTU site | June 14, 2013 | USG Institutions |
| 3 Integrated review of Five-Year Capital Projects Funding Requests submissions and recommendation of projects for FY 2015 capital funding. | June 17 – 28, 2013 | USO Integrated Review |
| 4 Notify campuses of recommendations for participation in detailed project information collection | July 1, 2013 | OREF |
| PHASE 2 (Detailed Web-based Form) | | |
| 5 Open up the web-based Capital Projects Funding Request (CPFR) database for more detailed project information to be submitted from the campuses based on initial recommendations for capital project funding for FY 2015 | July 15 - 26 , 2013 | OREF |
| 6 In-depth review of capital funding requests and Capital Planning Review Meetings with campuses, as needed | July 15 – August 2, 2013 | USO Integrated Review, USG Institutions |
| 7 Finalize funding recommendations for FY 2015 Capital Projects Funding Request | July 29 – August 9, 2013 | USO Integrated Review |
| 8 Capital Budget Approval by Regents at Board Meeting | August/September 13, 2013 | Regents |
| 9 Submit Capital Budget Request to the Office of Planning & Budgets (OPB) through the Capital Outlay Budget System (COBS) | Early/Mid September 2013 | BoR Program Managers |

Process for BoR Four-Year Capital Improvement Plan and FY 2015 Capital Projects Funding Request

| WHAT | WHEN | WHO |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|-----------------------------------------|
| PHASE 1 (Conceptual Short Form) | | |
| 1 Distribute the Capital Improvement Plan and Funding Request Forms to the Institutions via the FTU site | June 3, 2013 | OREF |
| 2 Institutions submit their Four-Year Capital Improvement Plans to the BoR via upload to FTU site | June 14, 2013 | USG Institutions |
| 3 Integrated review of Four-Year Capital Improvement Plans and Funding Requests submissions and recommendation of projects for FY 2015 capital funding. | June 17 – 28, 2013 | USO Integrated Review |
| 4 Notify Institutions of recommendations for participation in detailed project information collection | July 1, 2013 | OREF |
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