University of Alaska System  
Office of Strategy, Planning, & Budget  
Capital Budget Development Process  
(last updated May 2021)

Capital Budget Timeline

<table>
<thead>
<tr>
<th>Submission</th>
<th>Action Date</th>
<th>Action/Event</th>
<th>Audience</th>
</tr>
</thead>
<tbody>
<tr>
<td>June</td>
<td>University Budget Request Instructions Distributed (Based on BOR Retreat Planning Meeting)</td>
<td>MAUs</td>
<td></td>
</tr>
<tr>
<td>August (early)</td>
<td>Non-DM/R&amp;R Capital Budget Requests</td>
<td>September (mid)</td>
<td>Capital Budget Request &amp; Capital Improvement Plan (1st Review)</td>
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<tr>
<td>August (mid)</td>
<td>DM/R&amp;R Capital Budget Requests and Backlog Projects List</td>
<td>September (early)</td>
<td>Deferred Maintenance lists compiled for all state agencies</td>
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<tr>
<td>Revised Capital Budget Requests</td>
<td>November</td>
<td>Capital Budget Request &amp; Capital Improvement Plan Approval</td>
<td>BOR</td>
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<tr>
<td>December 15th</td>
<td>Governor’s Budget released</td>
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<td>OMB</td>
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<tr>
<td>January</td>
<td>Operating and Capital Budget Document Published (aka Redbook)</td>
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<td>UA</td>
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<tr>
<td>April-May</td>
<td>Final Legislation</td>
<td>April-May</td>
<td>Capital Budget Distribution Plan and Recommendation Developed</td>
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<tr>
<td>June (early)</td>
<td>Capital Appropriation Acceptance &amp; Distribution Plan Approval</td>
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<td>BOR</td>
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Capital Budget Process

August
- Capital Budget Request & Capital Improvement Plan (1st Review)
  - Capital Improvement Plan: Using the workbook provided review and update the following information regarding your university’s capital budget requests:
    - Capital Request ID from previous year(s), or assign the request a new unique ID (e.g. UAA-#####)
    - University (UAA, UAF, UAS, SO)
    - Campus – allocation name
    - Campus Type (main or community)
    - Capital Request Title
    - Capital Request Type: Major Renewal, New Construction, Acquisition, One-Time (see Appendix A)
    - Description used for publications
    - Background used for internal communications (optional)

1. Exact dates will be determined on an annual basis.
2. No substantial changes (dollar amount, title or description) can be made after BOR approval.
3. The previous year DM/R&R may be used as a placeholder for the 1st review of the capital budget.
4. Projects are ranked by Capital Request Type within the Main & Community campus types. Thus, the template validates data entry in these fields.
- Rank the requests within Capital Request Types for each Campus Type
- Policy Approval: If required, PAA date or Campus Master Plan page reference (see Appendix A)
- Total Project Cost (TPC) is required for all New Construction, Acquisition, and One-Time requests
- Request Amount(s): in each applicable fiscal year, enter the amount under the appropriate funding type - General Funds (GF), University Receipts (UR), and Federal Receipts (FED).

Deferred maintenance/Renewal & Repurposing (DM/R&R) capital budget request and DM/R&R project list (use the DM_RR_CBR_Template workbook):

- **DM/R&R Backlog**: Using the tab *Total DM-R&R List* - provide the following information regarding your university’s DM/R&R projects:
  - University (UAA, UAF, UAS, SO)
  - Campus
  - Building number or other identifier
  - Project Description (If the project is included in a bundled budget request the CBR description will be used for publication purposes.)
  - Project Category (DM or R&R)
  - Project Amount (may be >= Capital Budget Request Amount)
  - Capital Budget Request ID: This is necessary to link individual DM/R&R projects to their associated capital budget request. If the project is associated with a DM/R&R budget request, provide the Capital Request ID from previous year(s), or assign the project a new unique Capital Request ID (e.g. UAA-####)
  - Capital Budget Request Amount – The amount of project included in the current CBR.

- **Priority DM/R&R Requests**: Using the tab *CBR List* - provide the following information regarding your university’s DM/R&R capital budget requests:
  - Capital Budget Request ID from *Total DM-R&R List*
  - Campus Type (main or community)
  - Request Title
  - Request Description - Used for publications
  - Priority/Rank - Prioritize requests within each Campus Type (main and community)
  - Request Amount(s): for the budget request year, enter the amount under the appropriate funding type - General Funds (GF), University Receipts (UR), and Federal Receipts (FED). Note: funding request information is only necessary for the current budget request year.

April-May

- Capital Distribution Plan: Based on capital funding appropriated and requests provided previously, review and update for the capital distribution plan.

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4. Projects are ranked by Capital Request Type within the Main & Community campus types. Thus, the template validates data entry in these fields.
The long-range capital plans shall be reviewed and updated annually as part of the capital and operating budget submission process (P05.12.060 [B]). Each university will prepare and update a long-range capital plan proposal for consolidation into a system-wide, long-range capital plan in accordance with procedures established by the system office chief finance officer (P05.12.060 [A]).

The annual budget request strategies may vary from year-to-year depending on identified needs and potential for funding. The current 10-year Capital Improvement Plan (CIP) is presented in the following categories:

- **Deferred Maintenance (DM) / Renewal & Repurposing (R&R):** Per board policy, “...funding for facility renewal and replacement as well as elimination of accumulated deferred renewal will be included in the capital budget request and long range capital plan” (P05.12.080). The details for the requests in this category are presented in supporting DM/R&R documents. The DM/R&R total equals the State submission of UA’s total DM/R&R backlog, which includes the current year Priority DM/R&R Projects budget requests and out-year backlog DM/R&R projects.

- **Major Renewal Projects:** In FY18 this category replaced the more generic “Annual R&R” category with specific high priority major building renewals at each university. The intent was to accommodate the board’s desire to know about entire building renewals. Since the total DM/R&R need is presented in a supporting document, it is important to not double count the request(s) in the CIP as well. In order to accomplish the separation between CIP and Priority DM/R&R projects, all backlog items related to the building undergoing a major renewal are to be assigned a request ID linked to the CIP M&R project. If a Major Renewal is not included in the current year CIP request, critical components may be included in the Priority DM/R&R projects.

- **New Construction:** Although mostly for new facilities, this section could include “the addition or expansion of an existing facility or internal build-out of unfinished space that adds to the building’s usable space” (P05.12.020 [K]). Board policy for approval & inclusion in the CIP are copied below. The category is separated into the following subsections:
  - **Academic Facilities**
  - **Research Facilities**
  - **Student and Support Facilities**
  - **Infrastructure**

- **Land, Property, and Facilities Acquisition:** one-time funding request for land, property, or facilities acquisitions.

- **Research for Alaska:** one-time funding request for research projects.

- **Equipment:** one-time funding request for academic or administrative equipment.

- **Other One-Time Items:** one-time funding requests for projects that do not fit in another category.

**Board policies for CIPs**
P05.12.020 [G], which states: “Long-range capital plan” means a comprehensive listing of all planned capital asset investments consistent with the campus master plan, for a set period of not less than six years, regardless of funding source, and with an estimated cost of $500,000 or more, including fixed equipment and technology improvements.

P05.12.071 [A], which, in part, states: preliminary administrative approval is a prerequisite for inclusion in the long-range capital plan unless otherwise approved by the board.

**Appendix A**
"Otherwise approved by the board" includes projects approved as part of last year’s CIP and/or included in a board approved Campus Master Plan (P05.12.050 [B]).

P05.12.071 [B.2], which states: "Projects for new construction, expansion or significant remodel for reuse with an estimated total project cost of $2.0 million or less will require approval by the system office chief finance officer.” The system office chief finance officer approval has been delegated to the vice chancellor for administration at each university, thus if the project’s estimated total project cost, was $2 million or less the project was included in the capital improvement plan. Please make sure adequate documentation pertaining to the preliminary administrative approval (PAA) for these projects exists.
**Capital Budget Development Process**

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<thead>
<tr>
<th><strong>State</strong></th>
<th><strong>June-July</strong></th>
<th><strong>August</strong></th>
<th><strong>September</strong></th>
<th><strong>October</strong></th>
<th><strong>November</strong></th>
<th><strong>December-April</strong></th>
<th><strong>May-June</strong></th>
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<tbody>
<tr>
<td><strong>BOR</strong></td>
<td>BOR Retreat Planning Meeting</td>
<td>Capital Budget Requests &amp; CIP Review (1&lt;sup&gt;st&lt;/sup&gt; Review) (3)</td>
<td>Capital Budget Requests and CIP Review</td>
<td>Capital Budget Requests and CIP Approval (2)</td>
<td>Capital Bill Passed with UA Appropriation</td>
<td>Capital Budget Appropriation Acceptance and Distribution Plan Approval</td>
<td></td>
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<tr>
<td><strong>MAUs</strong></td>
<td>Instructions and Prior Year Approved 10-Year Capital Improvement Plan (CIP) Distributed</td>
<td>Review Summary of Changes</td>
<td>DM/R&amp;R Capital Budget Requests and backlog projects list to SW SPB</td>
<td>Capital Budget Requests and CIP Review</td>
<td>Capital Budget Requests and CIP Review</td>
<td>Capital Budget Requests and CIP Review</td>
<td></td>
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<tr>
<td><strong>SW SPB</strong></td>
<td>Summarize Changes</td>
<td>DM/R&amp;R Capital Requests Assembled</td>
<td>DM/R&amp;R Capital Requests Submitted to OMB</td>
<td>Capital Budget Requests Submitted to OMB</td>
<td>Board Approved Operating and Capital Budget Document (aka Redbook) published</td>
<td>Capital Budget Distribution Plan Developed</td>
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(3) The previous year DM/R&R is used as a placeholder for the 1<sup>st</sup> review of the capital budget.