University of Alaska System
Office of Strategy, Planning, & Budget
Capital Budget Development Process
(last updated February 2022)

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 ³</td>
<td>September (mid)</td>
<td>Capital Budget Request &amp; Capital Improvement Plan (1st Review)</td>
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<tr>
<td></td>
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<td></td>
<td>Initial budget meetings with state agencies: complete proposals for all capital projects ready for discussion</td>
</tr>
<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>
</tr>
<tr>
<td></td>
<td>Revised Capital Budget Requests</td>
<td>November</td>
<td>Capital Budget Request &amp; Capital Improvement Plan Approval²</td>
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<td></td>
<td>Capital Budget in final form due to OMB</td>
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<tr>
<td></td>
<td></td>
<td>December 15th</td>
<td>Governor’s Budget released</td>
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<td></td>
<td></td>
<td>January</td>
<td>Operating and Capital Budget Document Published (aka Redbook)</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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<td></td>
<td>June (early)</td>
<td>Capital Appropriation Acceptance &amp; Distribution Plan Approval</td>
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</tbody>
</table>

Capital Project Approval

Board Authority
- Individual projects with an estimated total project cost (TPC) of more than $2 million must be submitted to the board for approval. Project level approval must occur either before or concurrent to the capital improvement plan (CIP) submission, but not after. (See Appendix A)

Capital Receipt Authority
- Capital projects with a TPC of $4 million or greater should have specific receipt authority requested through the legislative process (regular or supplemental) whenever feasible. (See Appendix A)

Capital Budget Process

August¹
- Capital Budget Request & Capital Improvement Plan (1st Review)

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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.
Capital Improvement Plan (other than DM/R&R): 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, UASO)
- Campus – allocation name
- 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)
- Rank the requests within Capital Request Types for each Campus Type
- Project Approval, see Appendix A for policies:
  - Campus Master Plan, cite page reference
  - Preliminary Administrative Approval (PAA), date board approved
  - PAA received from Vice Chancellor, date approved
- 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, UASO)
  - 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.)
  - DM
  - RR
  - Total 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

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• Priority/Rank - Prioritize requests within each Campus Type (main and community)^4
• 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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University of Alaska  
Capital Improvement Plan Development White Paper  
(February 2022)

The annual capital budget request strategies may vary from year-to-year depending on identified needs and potential for funding.

**Capital Project Approval Policies**

- **Campus Master Plan Approval**
  - P05.12.050 [B]: When adopted by the board, the campus master plan governs the capital improvements plan and budget request for the campus, and approval of all proposed facilities on the campus.

- **Preliminary Administrative Approval (PAA)**
  - P05.12.071 [A]: Preliminary administrative approval is a prerequisite for inclusion in the long-range capital plan unless otherwise approved by the board.
  - P05.12.071 [B.2]: 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.

Note: The CFO has delegated this approval authority to the vice chancellor for administration at each university. Please make sure adequate documentation pertaining to the preliminary administrative approval (PAA) for these projects exists.

**Capital Receipt Authority**

The intent of blanket capital receipt authority (university and federal) is to allow the university to take advantage of capital opportunities with a total project cost (TPC) less than $4 million. Capital projects with a TPC of $4 million or greater should have specific receipt authority requested through the legislative process (regular or supplemental) whenever feasible. An exception may be granted by the Chief Facilities Officer to use blanket capital receipt authority when the legislative request process is not feasible. The total project cost for projects utilizing blanket capital receipt authority will be approved in accordance with university policy and will not commit the state to any future funding obligations.

**CIP Board Policies:**

- P05.12.060 [B]: The long-range capital plans shall be reviewed and updated annually as part of the capital and operating budget submission process.
- P05.12.060 [A]: Annually, within the capital budget process, each university will prepare and update a long-range capital plan proposal. The university capital plan proposals will be consolidated into a systemwide long-range capital plan in accordance with procedures established by the system office chief finance officer and presented to the board for review and comments prior to board approval.
- 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.

**Appendix A**
For CIP workbook, not including DM/R&R, use the following project categories:

- **Major Renewal Projects**: specific high priority major building renewals at each university. In FY18 this category replaced the more generic “Annual R&R” category. The intent was to accommodate the board’s desire to know about entire building renewals.

- **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.

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

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

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

Note: 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.

**Deferred Maintenance (DM) / Renewal & Repurposing (R&R):**

- **P05.12.080**: 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.

Submission Note: 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.

<table>
<thead>
<tr>
<th>Permission Matrix</th>
<th>$2M or Less</th>
<th>Over $2M</th>
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<tbody>
<tr>
<td>Major Renewal Projects</td>
<td>Chancellor Note: The Board of Regents receives a report of the projects which the chancellors have approved by delegated authority.</td>
<td>Campus Master Plan discussion (not just on a list) OR Addendum OR Individual project Preliminary Administrative Approval (PAA)</td>
</tr>
<tr>
<td>New Construction (Academic Facilities, Research Facilities, Student and Support Facilities, Infrastructure)</td>
<td>Chancellor</td>
<td></td>
</tr>
<tr>
<td>Land, Property, and Facilities Acquisition:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research for Alaska (projects, not facilities)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equipment</td>
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<tr>
<td>Other On-Time Items</td>
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Appendix A
Capital Budget Development Process

<table>
<thead>
<tr>
<th>June-July</th>
<th>August</th>
<th>September</th>
<th>October</th>
<th>November</th>
<th>December-April</th>
<th>May-June</th>
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<tbody>
<tr>
<td><strong>State</strong></td>
<td></td>
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<td>Governor’s Budget Released (Dec 15th)</td>
<td>Capital Bill Passed with UA Appropriation</td>
</tr>
<tr>
<td><strong>BOR</strong></td>
<td>BOR Retreat Planning Meeting</td>
<td>Capital Budget Request &amp; CIP (1st Review) (3)</td>
<td>DM/R&amp;R List for all Agencies Compiled</td>
<td>Capital Budget Request and CIP Approval (2)</td>
<td>Capital Budget Appropriation Acceptance and Distribution Plan Approval</td>
<td></td>
</tr>
<tr>
<td><strong>President &amp; Senior Leadership</strong></td>
<td>Capital Budget Requests &amp; CIP Review</td>
<td>DM/R&amp;R Capital Budget Requests Review</td>
<td>Capital Budget Requests and CIP Review</td>
<td>Capital Budget Distribution Plan Review</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>MAUs</strong></td>
<td>DM/R&amp;R Capital Budget Requests, and backlog projects list compiled</td>
<td>10-Year CIP Updated, (non-DM/R&amp;R) Capital Budget Requests Compiled</td>
<td>Review Summary of Changes</td>
<td>DM/R&amp;R Capital Budget Requests and backlog projects list to SPB</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>SW SPB</strong></td>
<td>Instructions and Prior Year Approved 10-Year Capital Improvement Plan (CIP) Distributed</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>
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</tbody>
</table>

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