University of Alaska System  
Office of Strategy, Planning, & Budget  
Capital Budget Development Process  
(last updated June 2023)

**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>MAU Capital Budget Requests, Capital Improvement Plan (CIP) &amp; DM/R&amp;R Backlog</td>
<td>Annual Budget Development Guidance distributed (based on BOR discussion)</td>
<td>MAUs</td>
</tr>
<tr>
<td>August (mid)</td>
<td>Revised Capital Budget Requests, CIP &amp; DM/R&amp;R Backlog</td>
<td>Review and provide input</td>
<td>President &amp; Senior Leadership</td>
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<tr>
<td>September (early)</td>
<td>1st Review - Capital Budget Request, Capital Improvement Plan</td>
<td>BOR</td>
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<tr>
<td>September (mid)</td>
<td>Initial budget meetings with state agencies: complete proposals for all capital projects ready for discussion</td>
<td>OMB/ Legislative Finance</td>
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<td></td>
<td>Deferred Maintenance lists prepared for all state agencies</td>
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<tr>
<td>November</td>
<td>Approval² - Capital Budget Request &amp; Capital Improvement Plan</td>
<td>BOR</td>
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<tr>
<td></td>
<td>Capital Budget Request and DM/R&amp;R in final form due to OMB</td>
<td>OMB</td>
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<tr>
<td>December 15th</td>
<td>Governor’s Budget released</td>
<td>Legislature</td>
<td></td>
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<tr>
<td>January</td>
<td>Operating and Capital Budget Documents Published (aka Redbook)</td>
<td>UA</td>
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<td>April-May</td>
<td>Final Legislation</td>
<td>UA Leadership</td>
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<tr>
<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>
<td>BOR</td>
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</table>

**Capital Budget Process**

Relevant Board of Regent policies, approvals, and definitions can be found in Appendix A.

**August**

- Capital Budget Request & Capital Improvement Plan (President/Senior Leadership review)
  - Capital Improvement Plan (other than DM/R&R): Using the *workbook template* provided the following information regarding your MAU’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
    - Campus Type (main or community)³
    - Capital Request Title
    - Capital Request Type: Major Renewal, New Construction, Acquisition, One-Time (see Appendix A)³

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. Projects are ranked by Capital Request type within the Main & Community campus types.
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- Description used for publications
- Background used for internal communications (optional)
- Rank the requests within Capital Request Types for each Campus Type (main or community)³
- 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) Backlog and DM/R&R Priority 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 MAU’s DM/R&R projects:
    - University (UAA, UAF, UAS, UASO)
    - Campus
    - Building number or another identifier
    - Project Description
    - DM amount
    - RR amount
    - Total Project Amount (may be >= Capital Budget Request Amount)
    - Capital Budget Priority 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 priority budget request, provide the Capital Request ID from the previous year(s), or assign the project a new unique Capital Request ID (e.g. UAA-#####)
    - Capital Budget Priority Amount – The amount of project included in the current CBR. **Note**: Amounts for each priority item will be rounded to the 100s by SPB.
  - **Priority DM/R&R Requests**: Using the *CBR List* tab - 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)³
    - Request Title
    - Request Description – Summary used for publications
    - Priority/Rank - Prioritize requests within each Campus Type (main and community)³
    - MAU Priority/Rank - Prioritize request for the entire Major Administrative Unit
    - 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-May¹
- Capital Distribution Plan: Based on capital funding appropriated and requests provided previously, review and update for the capital distribution plan.

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³. Projects are ranked by Capital Request type within the Main & Community campus types.
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) of 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.

For CIP workbook, not including DM/R&R, use the following capital request types:

- **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.

**Appendix A**
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.

- **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 into another category.

**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.

### Permission Matrix

<table>
<thead>
<tr>
<th>Category</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)</td>
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<tr>
<td>New Construction (Academic, Research, or Student and Support Facilities, Infrastructure)</td>
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<td>OR Addendum</td>
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<tr>
<td>Land, Property, and Facilities Acquisition</td>
<td></td>
<td>OR Individual project Preliminary Administrative Approval (PAA)</td>
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<tr>
<td>Research for Alaska (projects, not facilities)</td>
<td></td>
<td>Chancellor</td>
</tr>
<tr>
<td>Equipment</td>
<td></td>
<td>See note in “$2M or Less” column</td>
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<tr>
<td>Other On-Time Items</td>
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**Capital Budget Development Process**

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<thead>
<tr>
<th>State</th>
<th>BOR</th>
<th>President &amp; Senior Leadership</th>
<th>MAUs</th>
<th>SW SPB</th>
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<td></td>
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<td>June-July</td>
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<td>August</td>
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<td>December-April</td>
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