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

Capital Budget Timeline [1]

Submission		Action Date	Action/Event	Audience
		June	Annual Budget Development Guidance distributed (based on BOR discussion)	MAUs
August (early)	MAU Capital Budget Requests, Capital Improvement Plan (CIP) & DM/R&R Backlog	August (mid)	Review and provide input	President & Senior Leadership
August (mid)	Revised Capital Budget Requests, CIP & DM/R&R Backlog	September (early)	1st Review - Capital Budget Request, Capital Improvement Plan	BOR
			Initial budget meetings with state agencies: complete proposals for all capital projects ready for discussion	OMB/ Legislative Finance
			Deferred Maintenance lists prepared for all state agencies	
		November	Approval[2] - Capital Budget Request & Capital Improvement Plan	BOR
			Capital Budget Request and DM/R&R in final form due to OMB	OMB
		December 15th	Governor's Budget released	Legislature
		January	Operating and Capital Budget Documents Published (aka Redbook)	UA
April-May	Final Legislation	April-May	Capital Budget Distribution Plan and Recommendation Developed	UA Leadership
		June (early)	Capital Appropriation Acceptance & Distribution Plan Approval	BOR

Capital Budget Process
Relevant Board of Regent policies, approvals, and definitions can be found in Appendix A.
August[1]
- Capital Budget Request & Capital Improvement Plan (President/Senior Leadership review)

    o 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.

- 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-May[1]
- 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.
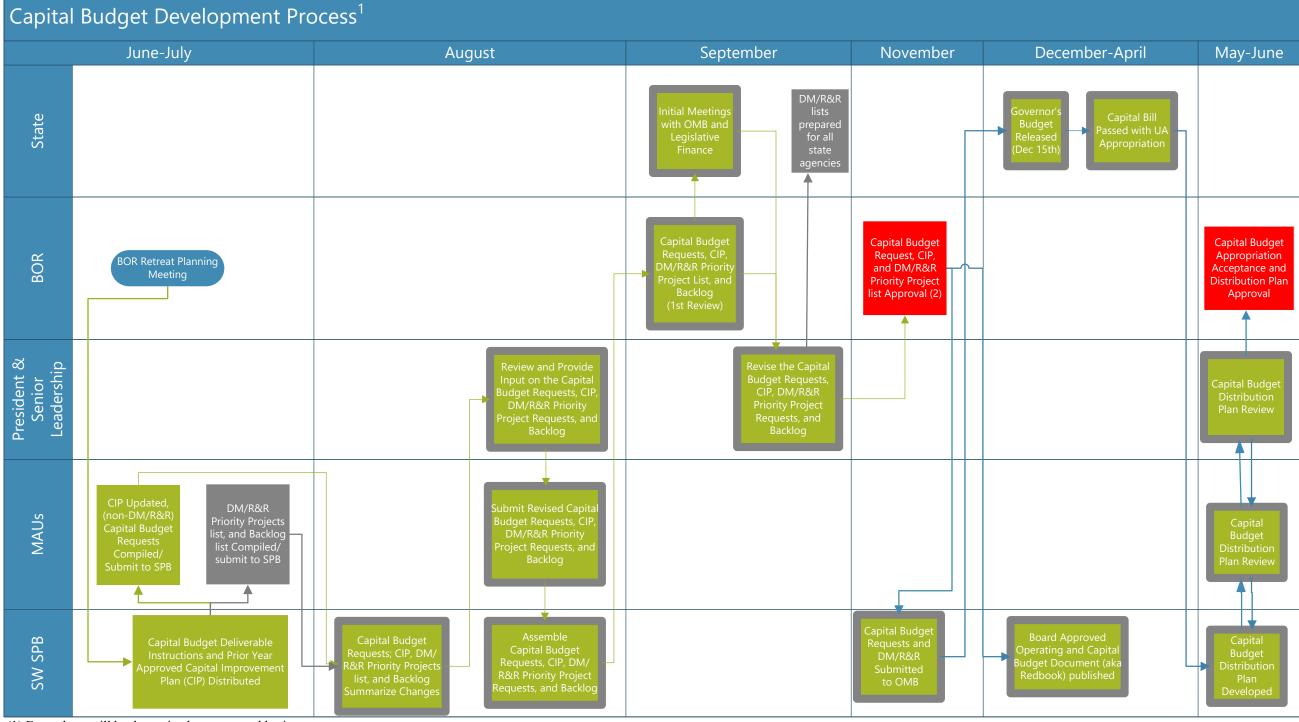
Appendix A

- o 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:
  - o Academic Facilities
  - o Research Facilities
  - o Student and Support Facilities
  - o 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

Category	$2M or Less	Over $2M
Major Renewal Projects	Chancellor Note: The Board of Regents receives a report of the projects which the chancellors have approved by delegated authority.	Campus Master Plan discussion (not just on a list) OR Addendum OR Individual project Preliminary Administrative Approval (PAA)
New Construction (Academic, Research, or Student and Support Facilities, Infrastructure)		
Land, Property, and Facilities Acquisition:		
Research for Alaska (projects, not facilities)		Chancellor See note in "$2M or Less" column
Equipment		
Other On-Time Items		

Appendix A

Capital Budget Development Process[1]

	June-July	August	September	November	December-April	May-June
State			Initial Meetings with OMB and Legislative Finance		Governor's Budget Released (Dec 15th)	
			DM/R&R lists prepared for all state agencies		Capital Bill Passed with UA Appropriation	
BOR	BOR Retreat Planning Meeting		Capital Budget Requests, CIP, DM/R&R Priority Project List, and Backlog (1st Review)	Capital Budget Request, CIP, and DM/R&R Priority Project list Approval (2)		Capital Budget Appropriation Acceptance and Distribution Plan Approval
President & Senior Leadership		Review and Provide Input on the Capital Budget Requests, CIP, DM/R&R Priority Project Requests, and Backlog	Revise the Capital Budget Requests, CIP, DM/R&R Priority Project Requests, and Backlog			Capital Budget Distribution Plan Review
MAUs	CIP Updated, (non-DM/R&R) Capital Budget Requests Compiled/ Submit to SPB	Submit Revised Capital Budget Requests, CIP, DM/R&R Priority Project Requests, and Backlog				Capital Budget Distribution Plan Review
	DM/R&R Priority Projects list, and Backlog list Compiled/ submit to SPB					
SW SPB	Capital Budget Deliverable Instructions and Prior Year Approved Capital Improvement Plan (CIP) Distributed	Capital Budget Requests; CIP, DM/R&R Priority Projects list, and Backlog Summarize Changes		Capital Budget Requests and DM/R&R Submitted to OMB	Board Approved Operating and Capital Budget Document (aka Redbook) published	Capital Budget Distribution Plan Developed
		Assemble Capital Budget Requests, CIP, DM/R&R Priority Project Requests, and Backlog				

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