

UA Facilities Maintenance & Capital DM/R&R Calculations (July 2022)

Overview

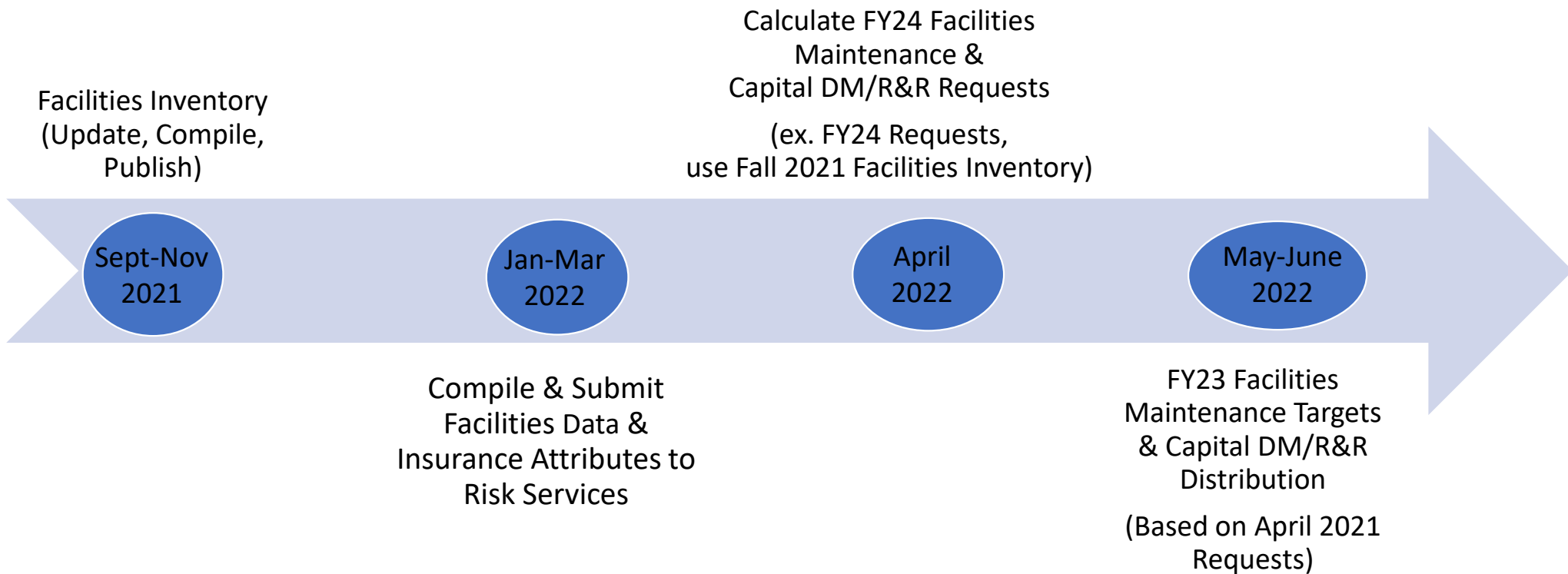
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Board of Regents Policy

P05.12.080 Operations and Maintenance

- A. **“The annual need for maintenance and repair shall be fully funded in the annual operating budget of the university unless otherwise directed or approved by the board.** In addition, the 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. **At a minimum, an amount equal to the annual M&R need shall be expended on routine maintenance and repair, major repairs, whether current or deferred, and mandated improvements.** Unless the scope of remodeling to accommodate tenant occupancy is minor, it may not be included when reporting on M&R annual stewardship expenditures and should be reported as expenses for alterations or capital improvements for asset reinvestment.”
- B. “An annual maintenance plan shall be developed by the chief facilities administrators of the respective universities and provided to the system office chief facilities officer.”
- C. “On an annual basis, the system office chief finance officer will cause to be compiled a report identifying for each university and the system office the:
1. prior fiscal year actual operating and capital expenditures for M&R and R&R support;
 2. **current fiscal year’s budgeted operating and capital commitment for M&R and R&R;**
 3. **current annual calculated need for M&R and R&R;**
 4. current estimate of accumulated deferred renewal; and
 5. the status of ongoing deferred renewal projects.”

Timeline



Inputs

University of Alaska FY24 Budget Distribution										
		Facility Inventory Fall 2021 Gordian Replacement Values					Calculated Index ⁽²⁾			
		1	2	3		4	5	6		
Location		# of Bldgs	Avg. Age (years)	Gross Area (sq. feet)	Headct. Emp. + Student	Replace't Value (\$1,000)	2022 DM/R&R Backlog (\$1,000)	Wt Age-Value Index	Density Index	Dist. %
Anchorage Campus	<i>Anc.</i>	65	29.5	2,835,048	11,655	1,662,549.7	587,002.7	39.1	0.11	23.6%
UAA Community Campuses		32	28.4	454,939	4,282	297,889.8	37,251.6	8.2	0.24	7.2%
<i>Kenai Peninsula College</i>	<i>Sold. & Hom.</i>	12	28.4	186,146	1,740	125,033.8	10,789.9			
<i>Kodiak College</i>	<i>Kodiak</i>	5	44.8	44,876	541	28,719.6	4,780.7			
<i>Matanuska-Susitna College</i>	<i>Palmer</i>	9	29.8	155,878	1,349	98,448.3	9,580.0			
<i>Prince Wm. Sound College</i>	<i>Valdez</i>	6	12.5	68,039	652	45,688.2	12,101.0			
	UAA Total	97	29.1	3,289,987	15,937	1,960,439.6	624,254.4	47.4	0.35	30.8%
Fairbanks Campus/CTC	<i>Fbks.</i>	229	39.2	3,761,470	9,619	3,098,705.1	816,902.2	96.6	0.18	56.8%
UAF Community Campuses (CRCD)		27	31.6	155,942	2,030	147,522.0	31,108.5	5.1	0.11	4.0%
<i>Bristol Bay Campus</i>	<i>Dillingham</i>	3	20.0	20,217	304	13,767.0	907.2			
<i>Chukchi Campus</i>	<i>Kotzebue</i>	1	45.0	10,362	186	15,679.7	6,755.6			
<i>Interior Alaska Campus</i>	<i>Various</i>	5	33.2	29,111	277	25,833.0	1,723.1			
<i>Kuskokwim Campus</i>	<i>Bethel</i>	7	37.3	51,774	442	51,048.6	19,539.9			
<i>Northwest Campus</i>	<i>Nome</i>	10	30.3	21,570	246	22,949.4	1,531.8			
<i>Col. of Rural & Comm. Dev.</i>	<i>Fbks.</i>	1	18.0	22,908	575	18,244.3	651.0			
	UAF Total	256	38.4	3,917,412	11,649	3,246,227.1	848,010.7	101.7	0.21	60.8%
Southeast Campus	<i>Juneau</i>	28	28.7	379,653	1,643	226,309.9	20,658.3			
UAS Community Campuses		4	9.8	117,546	1,363	60,641.4	5,572.5			
<i>Ketchikan Campus</i>	<i>Ketchikan</i>	3	10.0	49,488	684	33,178.8	3,437.0			
<i>Sitka Campus</i>	<i>Sitka</i>	1	9.0	68,058	679	27,462.6	2,135.5			
	UAS Total	32	26.3	497,199	3,006	286,951.3	26,230.8	6.4	0.43	8.0%
UA System Office⁽¹⁾	<i>Various</i>	9	41.7	241,973.0	213.0	169,222.6	15,042.4	0.7	0.01	0.4%
	UASO Total	9	41.7	241,973	213	169,222.6	15,042.4	0.7	0.01	0.4%
	UA Total	394	35.2	7,946,571	30,805	5,662,840.6	1,513,538.3	156.1	1.00	100.0%

1. The MAUs review and update the information in the **Facilities Inventory** every fall including Age and Gross Area.

2. **Headcount and Student enrollment** for the same year as the inventory is provided by UA Institutional Research.

3. Gordian provides the **Replacement Value (RV)** based on various parameters in coordination with the MAUs and the change in RSMMeans Construction Index.

Calculations

University of Alaska FY24 Budget Distribution										
		Facility Inventory Fall 2021 Gordian Replacement Values					Calculated Index ⁽²⁾			
		1	2	3		4	5	6		
Location		# of Bldgs	Avg. Age (years)	Gross Area (sq. feet)	Headct. Emp. + Student	Replace't Value (RV) (\$1,000)	2022 DM/R&R Backlog (\$1,000)	Wt Age-Value Index	Density Index	Dist. %
Anchorage Campus	Anc.	65	29.5	2,835,048	11,655	1,662,549.7	587,002.7	39.1	0.11	23.6%
UAA Community Campuses		32	28.4	454,939	4,282	297,889.8	37,251.6	8.2	0.24	7.2%
Kenai Peninsula College	Sold. & Hom.	12	28.4	186,146	1,740	125,033.8	10,789.9			
Kodiak College	Kodiak	5	44.8	44,876	541	28,719.6	4,780.7			
Matanuska-Susitna College	Palmer	9	29.8	155,878	1,349	98,448.3	9,580.0			
Prince Wm. Sound College	Valdez	6	12.5	68,039	652	45,688.2	12,101.0			
UAA Total		97	29.1	3,289,987	15,937	1,960,439.6	624,254.4	47.4	0.35	30.8%
Fairbanks Campus/CTC	Fbks.	229	39.2	3,761,470	9,619	3,098,705.1	816,902.2	96.6	0.18	56.8%
UAF Community Campuses (CRCD)		27	31.6	155,942	2,030	147,522.0	31,108.5	5.1	0.11	4.0%
Bristol Bay Campus	Dillingham	3	20.0	20,217	304	13,767.0	907.2			
Chukchi Campus	Kotzebue	1	45.0	10,362	186	15,679.7	6,755.6			
Interior Alaska Campus	Various	5	33.2	29,111	277	25,833.0	1,723.1			
Kuskokwim Campus	Bethel	7	37.3	51,774	442	51,048.6	19,539.9			
Northwest Campus	Nome	10	30.3	21,570	246	22,949.4	1,531.8			
Col. of Rural & Comm. Dev.	Fbks.	1	18.0	22,908	575	18,244.3	651.0			
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UASO Total		9	41.7	241,973	213	169,222.6	15,042.4	0.7	0.01	0.4%
UA Total		394	35.2	7,946,571	30,805	5,662,840.6	1,513,538.3	156.1	1.00	100.0%

4. The building age and the RV are multiplied at the building level then summed and divided by 1M to calculate the **Weighted Age-Replacement Value Index**.

5. **Density Index** headcount is divided by GSF/100K at the campus level then allocated to the Main/Community campus sub-categories.

6. The Indexes are weighted to calculate the **Distribution Percent**.

Formula:

$$90\% (\text{Age-Value Index} / \text{Total Index}) + 10\% (\text{Density Index}) = \text{Dist.}\%$$

Ex. UAA Main Campus Index =

$$90\% * (39.1/156.1) * 10\% (0.11) = 5$$

Facilities Maintenance: Budget Goal

University of Alaska FY24 Budget Distribution						
	Location	Calculated Index ⁽²⁾			Facilities Maintenance	
		Wt Age-Value Index	Density Index	Dist. %	1 Budget Goal	2 % of AV
Anchorage Campus	<i>Anc.</i>	39.1	0.11	23.6%	14,160.0	0.9%
UAA Community Campuses		8.2	0.24	7.2%	4,320.0	1.5%
<i>Kenai Peninsula College</i>	<i>Sold. & Hom.</i>					
<i>Kodiak College</i>	<i>Kodiak</i>					
<i>Matanuska-Susitna College</i>	<i>Palmer</i>					
<i>Prince Wm. Sound College</i>	<i>Valdez</i>					
	UAA Total	47.4	0.35	30.8%	18,480.0	0.9%
Fairbanks Campus/CTC	<i>Fbks.</i>	96.6	0.18	56.8%	34,060.0	1.1%
UAF Community Campuses (CRCD)		5.1	0.11	4.0%	2,400.0	1.6%
<i>Bristol Bay Campus</i>	<i>Dillingham</i>					
<i>Chukchi Campus</i>	<i>Kotzebue</i>					
<i>Interior Alaska Campus</i>	<i>Various</i>					
<i>Kuskokwim Campus</i>	<i>Bethel</i>					
<i>Northwest Campus</i>	<i>Nome</i>					
<i>Col. of Rural & Comm. Dev.</i>	<i>Fbks.</i>					
	UAF Total	101.7	0.21	60.8%	36,460.0	1.1%
Southeast Campus	<i>Juneau</i>					
UAS Community Campuses						
<i>Ketchikan Campus</i>	<i>Ketchikan</i>					
<i>Sitka Campus</i>	<i>Sitka</i>					
	UAS Total	6.4	0.43	8.0%	4,800.0	1.7%
UA System Office ⁽¹⁾	<i>Various</i>	0.7	0.01	0.4%	260.0	0.2%
	UASO Total	0.7	0.01	0.4%	260.0	0.2%
	UA Total	156.1	1.00	100.0%	60,000.0	1.1%

1. The Facilities Maintenance (FM) **Budget Goal** is the BOR target (currently \$60M) times the Dist.%.

Ex. UAA's Main Campus Budget Goal =
 $\$60M \times 23.6\% = \$14,160M$

2. Prior to the BOR setting a Budget Goal for Facilities Maintenance, maintenance targets were set as a percent of the adjusted value. This information is still tracked on the worksheet, but is not currently used in any calculations.

Ex. UAA's Main Campus Budget Goal as a % of Adjusted Value = $\$14,160.0M / \$1,662.5M = 0.9\%$

Facilities Maintenance: Budget Requests

University of Alaska FY24 Budget Distribution					
Location	Calculated Index ⁽²⁾	Request			
		Wt Age-Value Index	Density Index	Dist. %	
					Request
					1
					FY24 Operat'g
Anchorage Campus	<i>Anc.</i>	39.1	0.11	23.6%	354.0
UAA Community Campuses		8.2	0.24	7.2%	108.0
<i>Kenai Peninsula College</i>	<i>Sold. & Hom.</i>				
<i>Kodiak College</i>	<i>Kodiak</i>				
<i>Matanuska-Susitna College</i>	<i>Palmer</i>				
<i>Prince Wm. Sound College</i>	<i>Valdez</i>				
	UAA Total	47.4	0.35	30.8%	462.0
Fairbanks Campus/CTC	<i>Fbks.</i>	96.6	0.18	56.8%	852.0
UAF Community Campuses (CRCD)		5.1	0.11	4.0%	60.0
<i>Bristol Bay Campus</i>	<i>Dillingham</i>				
<i>Chukchi Campus</i>	<i>Kotzebue</i>				
<i>Interior Alaska Campus</i>	<i>Various</i>				
<i>Kuskokwim Campus</i>	<i>Bethel</i>				
<i>Northwest Campus</i>	<i>Nome</i>				
<i>Col. of Rural & Comm. Dev.</i>	<i>Fbks.</i>				
	UAF Total	101.7	0.21	60.8%	912.0
Southeast Campus	<i>Juneau</i>				
UAS Community Campuses					
<i>Ketchikan Campus</i>	<i>Ketchikan</i>				
<i>Sitka Campus</i>	<i>Sitka</i>				
	UAS Total	6.4	0.43	8.0%	120.0
UA System Office⁽¹⁾	<i>Various</i>	0.7	0.01	0.4%	6.0
	UASO Total	0.7	0.01	0.4%	6.0
	UA Total	156.1	1.00	100.0%	1,500.0

- Budget Requests** are operating budget increments requested to close the gap between the base budget and the budget goal.

Requests are the distribution percent of the requested increase.

Formula: **Budget Request** = Rounded to Hundreds
(Distribution %) * (Current year request)

Ex. UAA's Main Campus FY24 Facilities Maintenance Operating
Request = 23.6% * \$1,500.0 = 354.0

Note: If the Base Budget exceeds the Budget Goal, the Budget Request will be zero, not negative.

Facilities Maintenance: Base Funding Adjustments

- **Base Funding Adjustments** are distributions of operating budget increments or decrements made to the facilities maintenance budget minimum.
 - **Increments** are appropriations which increase the facilities maintenance base budget. These appropriations may be related to the current year's situation, calculated budget request, or a new facility.
 - **Decrements** are reductions to the facilities maintenance base budget. These reductions may be necessary to fund other university priorities, due to state funding reductions.

Facilities Maintenance Base Budget & Budget Min.

University of Alaska FY24 Budget Distribution									
		Facilities Maintenance Budget							
				1	Budget			2	Budget
Location		Budget Goal	% of AV	FY23 Base Budget	Shortfall (Base-Goal)	Base Fund'g Adjust	One-Time Funding	FY24 Budget Min	Shortfall (Min-Goal)
Anchorage Campus	<i>Anc.</i>	14,160.0	0.9%	8,338.0	-5,822.0	354.0		8,692.0	-5,468.0
UAA Community Campuses		4,320.0	1.5%	1,762.0	-2,558.0	108.0		1,870.0	-2,450.0
<i>Kenai Peninsula College</i>	<i>Sold. & Hom.</i>					39.0		688.2	-871.8
<i>Kodiak College</i>	<i>Kodiak</i>					22.5		236.7	-663.3
<i>Matanuska-Susitna College</i>	<i>Palmer</i>					31.5		737.7	-522.3
<i>Prince Wm. Sound College</i>	<i>Valdez</i>					15.0		207.5	-392.5
	UAA Total	18,480.0	0.9%	10,100.0	-8,380.0	462.0	0.0	10,562.0	-7,918.0
Fairbanks Campus/CTC	<i>Fbks.</i>	34,060.0	1.1%	13,877.0	-20,183.0	852.0		14,729.0	-19,331.0
UAF Community Campuses (CRCD)		2,400.0	1.6%	538.0	-1,862.0	60.0		598.0	-1,802.0
<i>Bristol Bay Campus</i>	<i>Dillingham</i>					6.0		49.9	-190.1
<i>Chukchi Campus</i>	<i>Kotzebue</i>					7.5		45.9	-254.1
<i>Interior Alaska Campus</i>	<i>Various</i>					10.5		98.4	-321.6
<i>Kuskokwim Campus</i>	<i>Bethel</i>					21.0		185.7	-654.3
<i>Northwest Campus</i>	<i>Nome</i>					7.5		52.5	-247.5
<i>Col. of Rural & Comm. Dev.</i>	<i>Fbks.</i>					7.5		165.5	-134.5
	UAF Total	36,460.0	1.1%	14,415.0	-22,045.0	912.0	0.0	15,327.0	-21,133.0
Southeast Campus	<i>Juneau</i>					67.5		1,502.5	-1,197.5
UAS Community Campuses						52.5		398.5	-1,701.5
<i>Ketchikan Campus</i>	<i>Ketchikan</i>					30.0		249.5	-950.5
<i>Sitka Campus</i>	<i>Sitka</i>					22.5		149.0	-751.0
	UAS Total	4,800.0	1.7%	1,781.0	-3,019.0	120.0		1,901.0	-2,899.0
UA System Office ⁽¹⁾	<i>Various</i>	260.0	0.2%	304.0	44.0	6.0		260.0	0.0
	UASO Total	260.0	0.2%	304.0	44.0	6.0	0.0	260.0	0.0
	UA Total	60,000.0	1.1%	26,600.0	-33,400.0	1,500.0	0.0	28,050.0	-31,950.0

1. The **Base Budget** is the sum of the FY10 base budget and each year's base funding adjustments since FY10.

Formula: **Current Year's Base Budget =**
 Prior Year's Base Budget
 + Current Year's Base Funding Adjustments

Ex. UAA Main Campus FY24 Base Budget =
 $\$8.338\text{M} + \$0.354\text{M} = \$8.692\text{M}$

2. The **Budget Minimum** is the minimum amount that each campus is expected to spend on facilities maintenance in a given fiscal year.

Formula: **Budget Minimum =**
 lesser (Budget Goal or (Current Year's Base Budget
 + Current Year's One-Time Funds))

Ex. UAA Main Campus FY21 Budget Minimum =
 $\text{Min}(\$16.0\text{M}, (\$8.1\text{M} + \$0)) = \8.1M

Capital Budget Requests & Distribution

University of Alaska FY24 Budget Distribution					Deferred Maintenance (DM) and Renewal & Reuprosing (R&R)	
		Calculated Index ⁽²⁾			Capital Budget	
Location	Wt Age-Value Index	Density Index	Dist. %	1 Request	2 Distrib.	
Anchorage Campus	<i>Anc.</i>	39.1	0.11	23.6%	11,800.0	1,200.0
UAA Community Campuses		8.2	0.24	7.2%	3,600.0	400.0
<i>Kenai Peninsula College</i>	<i>Sold. & Hom.</i>				0.0	
<i>Kodiak College</i>	<i>Kodiak</i>				0.0	
<i>Matanuska-Susitna College</i>	<i>Palmer</i>				0.0	
<i>Prince Wm. Sound College</i>	<i>Valdez</i>				0.0	
UAA Total		47.4	0.35	30.8%	15,400.0	1,600.0
Fairbanks Campus/CTC	<i>Fbks.</i>	96.6	0.18	56.8%	28,400.0	2,800.0
UAF Community Campuses (CRCD)		5.1	0.11	4.0%	2,000.0	200.0
<i>Bristol Bay Campus</i>	<i>Dillingham</i>				0.0	
<i>Chukchi Campus</i>	<i>Kotzebue</i>				0.0	
<i>Interior Alaska Campus</i>	<i>Various</i>				0.0	
<i>Kuskokwim Campus</i>	<i>Bethel</i>				0.0	
<i>Northwest Campus</i>	<i>Nome</i>				0.0	
<i>Col. of Rural & Comm. Dev.</i>	<i>Fbks.</i>				0.0	
UAF Total		101.7	0.21	60.8%	30,400.0	3,000.0
Southeast Campus	<i>Juneau</i>				0.0	
UAS Community Campuses					0.0	
<i>Ketchikan Campus</i>	<i>Ketchikan</i>				0.0	
<i>Sitka Campus</i>	<i>Sitka</i>				0.0	
UAS Total		6.4	0.43	8.0%	4,000.0	400.0
UA System Office⁽¹⁾	<i>Various</i>	0.7	0.01	0.4%	200.0	0.0
UASO Total		0.7	0.01	0.4%	200.0	0.0
UA Total		156.1	1.00	100.0%	50,000.0	5,000.0

1. The **Total Capital Request** is the amount requested for DM/R&R through the capital budget.

Formula: **Capital Request by MAU** =
Total Capital Request x Dist.%

Ex. UAA Main Campus FY24 Capital Budget Request =
\$50M x 23.6% = \$11.8M⁽¹⁾

2. The **Total Capital Budget Distribution** is the appropriated capital budget directly related to DM/R&R. Rounded to the nearest hundred thousand.

Formula: **Capital Budget Distribution by MAU** =
Total Capital Distribution x Dist.%

Ex. UAA Main Campus FY24 Capital Budget Distribution =
\$5.0M x 23.6% = \$1.2M⁽²⁾

(1) Sample calculation only. BOR FY24 request included additional adjustments for prior year unfunded requests.

(2) Sample calculation if UA received \$5M in general DM/R&R funding for internal allocation.