Foreword
This guidance document has been designed to give Community Colleges and local Sponsors a guide to the process for obtaining an appropriation in New York State’s Budget, the first step in initiating a capital project eligible for State reimbursement up to 50%. College Sponsors, most often County Legislatures, provide fiscal support for a community college in concert with the State and are guided through State law and regulations. There are three steps in total:

1) Obtaining Capital Appropriation CCP-1
2) SUNY Project Initiation and Update CCP-2
3) Project Financing

There are unique issues relative to capital projects, so Colleges can contact the Office for Capital Facilities (OCF) with questions.

The following guidance document is issued as of November 2014 and will be evaluated regularly for needed changes. SUNY OCF has developed an enhanced website, centrally locating guidance documents, forms and materials currently in effect to help in navigating the Program:
http://www.suny.edu/capitalfacilities/
References have been made to various NYS legislation and regulations, NYS Education Law Article 126 and 8 NYS Codes, Rules and Regulations, Parts 600, 603, etc. Readers are advised to refer to the official documents for details and additional questions not immediately referred to within this document.

**SUNY University Wide Policies and Procedures** on SUNY’s website address academic, operational, governance and financial issues.

1. **Qualified Capital Projects:**
Community college capital is regulated by Part 603 of the NY Code of Rules and Regulations based on NY Education Law Sect. 6304. In this program, capital projects at least 50% of costs must be funded by the college’s local sponsor. New York State will fund up to 50% through State appropriation authority.

A College’s local Sponsor is a local sponsoring agency, such as a county, a community college region, a city or a board of education; a college may have several of these entities overseeing college operations. The Sponsor with the State, students and other counties, supplies the basic fiscal support for the college. Responsibilities include establishing the community college, providing local financing, accepting title to college real property to be held in trust for the college’s use and purposes, approving the budget, and selecting the prescribed procedures for the audit of college funds (NYCRR §600.1(c)).

As the Sponsor has fiscal oversight for this program, a College should follow the Sponsor’s procurement regulations to engage with consultants and contractors. The Sponsor or College may hold contracts or may use DASNY with approval of SUNY Board of Trustees.

The State’s oversight for capital is managed by SUNY Office for Capital Facilities; program procedures and guidelines are articulated in materials located on OCF’s website.

Capital projects eligible for State assistance of up to 50% include but are not limited to (NYCRR §603.3):
- Acquisition of real property
- Site selection studies, surveys, appraisals, relocation of tenants and owners, demolition and other costs of acquiring real property
- Preparation of plans and specifications
- Construction of new facilities
- Supervision and inspection of construction
- Alterations and improvements to the function, use or capacity of existing facilities
- Identification, design and specification of capital equipment
- Acquisition/installation of equipment in new construction or projects involving major changes

Not eligible for capital assistance include most repairs to buildings, grounds and equipment. Repair is defined as “a maintenance expenditure for the purpose of maintaining a facility in an ordinarily efficient operating condition. A repair does not significantly add to the value of the facility, nor does it appreciably prolong its life. It merely keeps the property in an efficient operating condition over its probable useful life for the uses for which it was acquired.” (8 NYCRR §602.4(d)(5)). Capital funds may not be used for these expenses - these types of repairs must be paid for out of a College’s operating budget. Critical maintenance is allowable as capital as it substantially extends a facility’s useful life.

2. **Developing a Capital Plan**
A vital step in the process of identifying capital needs is the development and maintenance of a Facility Master Plan (FMP). Typically done for a five-year period and periodically reviewed, an FMP strives to:
- Provide criteria and guidelines for College improvements and facilities development
- Identify opportunities to enhance, maintain or improve the existing facilities
Identify, prioritize and structure future project requests for capital funding
Address projected capital facilities improvement needs of the College for a long-term period
Guide the College in identifying, prioritizing, and structuring future capital requests
Aid in strategic approach to capital planning

A good FMP includes a College profile with historical background, academic and strategic mission information, statistical data, an evaluation of facilities and grounds, an assessment of operational conditions, an analysis of space needs, and future options and recommendations.

Once a College has finalized its FMP or FMP Update, the College Sponsor and College Board of Trustees passes a resolution acknowledging acceptance of the plan. The College must then forward these to SUNY along with a copy of the plan (an electronic copy is acceptable). The plan appendices with projects, estimated budgets and schedules and supporting resolutions accepting the plan may be sufficient for a request for appropriation.

For SUNY project budget approval, proof of funding will also be required. It is understood that a completed FMP does not assure all projects will be undertaken. Subsequent decisions about funding and schedules rest with the Sponsor. The Sponsor’s approval for funding the local share must be acknowledged and documented by a separate resolution. It is this resolution that is used for the SUNY budget approval process.

Prior to contacting SUNY Office for Capital Facilities to request State appropriation for capital projects, a Community College should conduct preliminary work:
- Developing and periodic reviewing and updating the College’s FMP
- Identifying and prioritizing project(s)
- Developing budgets, timelines, etc.
- Identifying sponsor funding
- Working towards obtaining County Improvement Plans (CIPs) and/or Sponsor Resolution(s)

As Colleges inevitably have more capital needs than available resources, it is valuable to prioritize based on factors such as:
- Emergency facility needs
- Health/safety projects
- Construction necessary to keep facilities into compliance
- Energy Conservation projects
- Renovation and facility preservation of classroom/library/laboratory buildings
- Construction of new facilities to meet the needs of expanding programs
- Other renovation and renewal projects

Additional options to obtain appropriation may come out of the state budget process. New York State has recently developed competitive funding programs to maximize limited State resources, described later in this document. The method and types of categorization as well as the Division of Budget’s (DOB’s) funding priorities continue to be refined, and SUNY expects this to persist but has made some generalizations in this document. Information is provided to Colleges and Sponsors each fall when capital appropriation is being requested to provide additional guidance specific to the year of the request.

3. Obtaining State Appropriation
The first step for a Community College capital project is obtaining appropriation or legislative authorization. Appropriation gives authority to state entities to encumber and disburse State funds through State bonding proceeds (advance) or directly from the State of New York (hard dollar). This is
manifested in a Community College project being included in an appropriation in the NYS Budget.

a. How to Obtain State Appropriation

The preferred method to submit capital requests is through SUNY Office for Capital Facilities. SUNY develops a request compiling all of the community colleges’ requests and submits the material to the DOB. DOB reviews the submission for possible inclusion in the Governor’s Executive Budget, ultimately presented to the NYS Legislature. Requests for the Colleges are done in the fall prior to the budget year for which the appropriation is requested (i.e. September 2014 for the 2015/16 NYS Budget). In special circumstances, DOB has allowed for late submission of passed sponsor resolutions up to December 15.

Completion of required documentation does not guarantee a request’s inclusion in the Executive Budget – DOB works with the Governor’s office to review requests as part of the overall New York State Budget. State priorities, issues related to State borrowing and other factors impact the ultimate Executive Budget. There is an opportunity within 30 days after the release of the Executive Budget for discovered errors to be addressed but substantive changes do not occur.

There is additional opportunity for SUNY to lobby for components left out of the Executive Budget. SUNY Government Relations and Communications departments working together with the Office for Capital Facilities, the Budget Office and the State University Construction Fund will continue to selectively advocate for specific legislative initiatives.

If a project is included in SUNY’s capital request but not included in the Governor’s Executive Budget, a State legislator can directly request a project be included in the Budget. However, it may be difficult to ensure that even if added the appropriation is not removed in later negotiations. In addition, a State legislator may not wish to utilize their political capital for such a request when there is an effective existing structure for which Community Colleges can utilize to request capital appropriation.

Other funding opportunities through grant programs are explained later in this document.

b. Community College Appropriation Naming

Community College appropriations are College and generally project specific, unlike some other programs where appropriation is granted in a lump sum and parsed out by the authorizing agency. The benefit is the College, local Sponsor and others can clearly see specific capital projects. The challenge is when a Sponsor/College identifies different priorities and wishes to expand or change the scope of a planned project. If the project is clearly defined, i.e. the construction of a new building, the title should be developed keeping sufficient flexibility based upon the firmness of function or location, ex. Science Building. If the project is for a series of critical maintenance items, your College may want to use a title reflecting broadness, ex. Renovations and Improvements. Project elements will need to be outlined clearly in subsequent documentation; if priorities change but the underlying concept behind the original request is maintained, SUNY Office for Capital Facilities will be able to consider the request and not be constrained by the appropriation language. Otherwise, a language change must be requested to DOB and approval for the change delayed until passage of the next State Budget.

c. Appropriation Language Changes

Language changes to prior year appropriations must be requested in the fall during the preparation of SUNY’s capital budget request. Since capital appropriation is specific to the College and project, there are occasions when a language change may be desired. For example, a project scope may have changed or the location of the project may move. However, Colleges should make every effort to request appropriation for realistic and supported projects. The process is dependent on the method for the appropriation’s original inclusion in the Budget and issue-specific. Contact SUNY Office for Capital Facilities to discuss needs and options to change appropriation language. Any language change is not
codified until the proposed Budget with the change is approved by the Legislature and signed into law.

d. Lapsing Older Appropriation
The NYS Budget process recognizes capital project expenditures continue over multiple years rather than ending on a budget cycle so the NYS Legislature has a practice of reappropriating previous year allocations through the life of the project; each year a section of the capital budget bill includes reappropriations. If a prior year’s appropriation is no longer included, it is considered lapsed and can no longer be applied to a capital project approximately 6 months after the conclusion of the previous fiscal year, even if some or all of the appropriation remained unused. During annual budget development, DOB may decide to lapse older appropriations. Therefore, Colleges are encouraged to be realistic in appropriation requests, thoughtful in titles, and whenever possible use older appropriation. SUNY Office for Capital Facilities will work with Colleges in the effective use of existing appropriation.

4. College Requirements for Requesting New Appropriation
   a. Multi-Year Spreadsheet - Preliminary Capital Needs
The SUNY community college capital request is done in a two-step process. The first step takes place in summer when SUNY Office for Capital Facilities reaches out to the Colleges for information on their capital planning. A preliminary list of capital needs is requested for an extended range of time (a minimum of five years is required by SUNY). SUNY requests the best information possible as the State uses this data for long-range planning but it understood that plans do change.

The request to DOB for community college capital appropriation is provided on a one-year basis. Basic information is asked about all included projects (project type, space function, etc.) and more details are requested for the first two years of the request using Project Action Forms in order for SUNY to appropriately respond to specific questions by DOB.

The second step is the formal submission in early fall. A letter is sent out to College Presidents from the Vice Chancellor for Community Colleges requesting specific documentation required by SUNY and DOB to successfully submit a request for a capital appropriation. Documentation includes a letter outlining the request from the College President/Vice President, local Sponsor resolutions and a final plan for year one communicated through Project Action Forms, explained in detail further in this document.

DOB reviews all documentation including Project Action Forms. It is important to ensure when completing the form that a thorough justification is provided, as well as any negative consequences of not progressing the project. SUNY Office for Capital Facilities may contact Colleges for more information as the budget process continues, but detailed information on the need, scope and project impact is critical to strengthen the potential for projects to be included in the Executive Budget.

   b. Project Action Form
SUNY Office for Capital Facilities has developed a savable PDF for college use. This form has dual actions: 1) for original appropriation requests, and 2) reused to request project initiation approval and budget increases if needed. The completed forms are shared with DOB, DASNY, Bond Counsel and other entities; therefore, please make every effort at fully explaining project needs and impacts.

   i. Project Title: Particularly with initial appropriation requests, the title should be explanatory but allows for flexibility if project details change. For instance, a college may want use “Infrastructure Improvements” rather than “Sidewalk Repair” or “Classroom Renovation” rather than “Art Classroom Renovation”. Details refining the project can be provided later in the form.

   ii. Action: Colleges must check the “Request for State Appropriation” for the original appropriation request; a request for “SUNY Project Approval” can only be submitted once appropriation is available. The form can be edited and saved for each step of the process.
iii. **General Scope and Classification:** SUNY is requested to categorize and summarize capital projects by various entities during the budget process as well as at different times of the year. To that end, SUNY Office for Capital Facilities has developed this section of the form to obtain an accurate understanding of the colleges’ capital projects to reduce the need for SUNY to contact colleges in a time-sensitive manner when inquiries arise.
   a. **Project Scope:** Percentages reflecting the amount of each relative component (new, rehabilitation of existing facilities, critical maintenance, property acquisition, etc.).
   b. **Project Classification:** Classifying the project scope into more detail.
   c. **Facility Use:** The space function(s) the capital project will impact.
   d. **Facility Information:** The current building number as per SUNY’s Physical Space Inventory (PSI) System, name and current and future gross square footage of the space.

iv. **Project Components - Narrative:** Provide sufficient detail for SUNY Office for Capital Facilities and DOB to fully understand the project, including attachments if more space is needed.

v. **Project Justification – Narrative:** Highlight the project’s importance for the education of students and negative consequences if the project is not done. It is helpful to use verbiage that highlight the project’s ability to ensure a capital asset functions as designed with reasonable operating expense, or that expand or repurpose facilities, buildings, or other capital infrastructure to match current and anticipated demand based on economic and demographic projections. An attachment can be submitted if more space is needed.

vi. **Budget and Schedule:** This area is vital to provide budgets and schedules in order for SUNY Office for Capital Facilities to effectively develop cash flow projections and ensure cash is on hand for reimbursement for all community college capital projects. Information about a project’s useful life is also solicited. Use the multiple lines for project phases/components with different schedules; this is important for projections and for SUNY in its role of justifying the request. Update this any time a major change in schedule occurs.

vii. **Architect:** Optional information, include if known.

c. **Sponsor Resolutions**

Essential to a request is written commitment to the project by the College Sponsor through resolution. DOB will not progress an appropriation request as part of SUNY’s annual submission without a sponsor resolution, reflecting commitment to the project and local 50% share of costs. Sponsor resolutions can be developed as part of a larger local budget, a capital improvement plan, or a stand-alone resolution for the specific capital initiative.

A resolution must reflect commitment to the project, the budget and acknowledgment of the local 50% share of costs. The budget must match on all documents (Sponsor resolutions, College Board resolutions, Project Action Form).

If local funding is not coming directly from the Sponsor (ex. gifts, fundraising), additional documentation is necessary. Program regulations require a College Board of Trustees resolution as well as a Sponsor resolution reflecting the intent to use non-Sponsor funds and the source of those funds.

If a project is complex and College staff thinks the request may require additional documentation, contact SUNY Office for Capital Facilities Community College Capital Program Manager to discuss.

The following elements are required content to enable capital appropriation to be obtained and for capital projects to be progressed:

**Required for Appropriation Request:**

1. Project Name
2. Project Total Budget (State + Local)
3. Sponsor approval of the capital project and budget
4. Sponsor acknowledgment 50% of project costs will the responsibility of the local Sponsor

**Required for Project Approval:** 1-4 the above plus:
5. Method of financing local share of project costs
   a. Direct Sponsor Financing
   b. Other Type of Funding as identified (chargebacks, fundraising, etc.)

As referenced earlier in this document, there are three basic steps to develop a capital project eligible for up to 50% reimbursement by the State:

1) Obtaining capital appropriation through project inclusion in the NYS Budget
2) SUNY project approval
3) Project financing

If a resolution includes 1-5 above, it may be sufficient for use in the first two steps to initiate a capital project as long as the verbiage allows for both processes to take place. Project financing requires approval by both the Sponsor and College by completion and submission of a signed finance application but does not include any additional resolution components.

Sponsors may want to include clauses which indicate a greater justification for project: Examples:
- Project is identified as necessary in College FMP
- Enrollment increases are driving the need
- Current facilities are not meeting the needs of a specific program
- Age of system indicates the need for replacement/rehabilitation

SUNY Office for Capital Facilities is available to review draft resolutions to ensure potential issues are identified and addressed.

d. **College Requirements for Requesting Additional Appropriation for Budget Increases**
There is occasion where a capital budget may need to be increased. Project delays may have resulted in cost escalation factors or additional costs may have been identified once the project is underway. Use the same process to request appropriation as is the case with new projects; include in the narrative a reference to the original project, the additional need and why that funding is needed. Required by program regulations for budget increases is a College Board of Trustee resolution indicating awareness and approval of the increased cost.

e. **Documentation Required for Appropriation Requests**
The following is required in addition to any project-specific information requested by SUNY Office for Capital Facilities (electronic copies are acceptable):
- Request Letter from College President or Vice President
- Project Action Form
- Local Sponsor resolution(s) reflecting commitment of project(s)
- College Board resolution indicating intent of alternative funding sources and/or acknowledgment of the budget increase for an ongoing project, if applicable

5. **SUNY Submission of Capital Request to the Division of Budget**
SUNY Office for Capital Facilities ensures College requests are complete and required documentation is included. It also reviews resolutions to ensure they appropriately reflect the required local commitment.

The Office for Capital Facilities with SUNY’s Budget Office and the State University Construction Fund work together to develop a comprehensive request. The group conducts financial analyses and
develops materials for SUNY Board of Trustees’ review and formal approval prior to submitting to the DOB which include narrative summaries of capital needs and descriptions of specific projects and project categorization. SUNY staff also develops projected project commitments, disbursements and analyses of potential impact on the State financial plan and bond cap limits.

The capital request is part of SUNY’s overall request for operating and capital forwarded to DOB. SUNY Office for Capital Facilities addresses all questions from DOB and advocates for inclusion of the full program request in the Executive Budget.

6. Release of the Executive Budget
SUNY reviews the Executive Budget after its release (typically the third week of January) to determine if the request has been included in its entirety. SUNY has an opportunity to present testimony to the Legislature to stress the importance of the capital needs, answer questions regarding the submission and advocate for the full inclusion of SUNY’s request in the final version of New York State’s Budget.

Once the Executive Budget is released, SUNY Office for Capital Facilities will contact the Colleges to inform them of the status of SUNY’s efforts to obtain capital appropriations on their behalf.

7. New York State Budget Passage
The Legislature reviews the Executive Budget and begins internal discussions to obtain consensus in both houses and the Governor’s office in development of a final budget bill. The bill may include projects removed from SUNY’s request that were not included in the Executive Budget and may also include Legislator-introduced items.

Ideally, the NYS Budget is passed by April 1. Once the NYS Legislature passes the official budget for the upcoming fiscal year, SUNY project approvals can begin. No approvals can formally be granted until the Budget has been passed and appropriation is in place.

    a. Access to State Appropriation
An appropriation request (with submitted Project Action Form and other documentation) does not automatically translate into project approval once the NYS Budget is passed. The College must submit a new Project Action Form and a new Sponsor resolution if the original submitted for the appropriation request did not include the source of local funding. The Project Action Form is editable and can be saved in various versions for the Colleges’ use for multiple processes:

1. Check the applicable box in 2. “Action: SUNY Project Approval” for a “New Project” or “Revise Project C_____”.
2. Resolutions must be reviewed and amended/resubmitted if necessary.
3. Budget documents (PAF, resolutions) must match and any changes to the estimated budget components from the original submission must be made.
4. Schedules must reflect current information to assist SUNY Office for Capital Facilities in accurately gauging the speed of expenditures and respond to Department of Budget inquiries.

Application for and access to grant awards for other types of capital through other entities have their own processes outlined, which are overseen by the relevant entity.

8. Other Types of Capital: REDC/ESD, SUNY 2020
Additional options may be available for State funding for capital outside of the standard SUNY budget process. New York State has recently developed competitive funding programs to maximize limited State resources and are based upon projects with regional/statewide economic and workforce generators. SUNY recommends non-critical maintenance capital requests be made through the standard method as well as through new initiatives to maximize funding chances. If funding is received by multiple sources, Colleges can work with SUNY Office for Capital Facilities to determine the best funding mechanism. Current programs include:
Regional Economic Development Councils (REDCs) Transformational Projects Program: In 2011, ten REDCs were created across the state to manage capital needs among State agencies in support of projects that result in significant advancement of statewide or regional strategies and have a dramatic impact on the State’s long-term economic competitiveness and strength, job creation, or quality of life. The program requires partnerships with other private and public entities and focuses on regional economic and employment growth through funding innovative programs. This program is overseen by Empire State Development (ESD) which has developed a consolidated funding application to allow for ESD to review applications and, if a project is approved, determine the best source of funding given the project scope. Colleges and their Sponsors are welcome to apply; details can be found at http://regionalcouncils.ny.gov/ The potential for matching a REDC grant is dependent on the underlying program from which funding is provided and is evaluated on a case by case basis.

SUNY 2020 Challenge Grant Program: This program provides additional funding to SUNY’s state-operated campuses and community colleges. The overall goal of this program is to incentivize bottom-up individualized long-term economic development implementation plans on colleges and surrounding communities. The Challenge Grant Review Board reviews submitted proposals for funding approval. SUNY provides application documents via listserves when program grants are available.

Attachment: Project Action Form