Community College Capital Program

Discussion Leaders:
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Rebecca Goldstein, Community College Capital Program Manager
**SUNY OCF Today**

**Mission** – Provide guidance, tools, data, oversight and technical expertise for the care, custody, control and management of campus facilities in the following core areas:

<table>
<thead>
<tr>
<th></th>
<th>State Operated</th>
<th>Community Colleges</th>
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<tbody>
<tr>
<td>Environmental Health and Safety</td>
<td>✔</td>
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<td>Emergency</td>
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<td>Executive Order 88 and Energy Management</td>
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<td>Energy Buying Group</td>
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<td>Residential Facility Capital</td>
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<td>Community College Capital</td>
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<td>Campus Let Procurement</td>
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<td>Start-Up NY</td>
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<td>Real Estate</td>
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State University of New York
Community College Capital Program

General Information

- Capital Regulated by Part 603 of the New York Codes, Rules and Regulations: [http://www.suny.edu/SUNYPP](http://www.suny.edu/SUNYPP)
- Based on New York Education Law Section 6304
- For all capital projects the local sponsor share must be at least 50% of costs
- New York State’s 50% share requires State appropriation authority via a line item in the NYS Budget

Appropriate Capital Budget Items

Capital projects eligible for State assistance of up to 50% include but are not limited to (per New York Codes, Rules and Regulations §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

Difference Between Repair and Capital

- Building maintenance and most repairs to buildings, grounds and equipment may not be included in Capital Budgets
- 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.” (NYCRR §602.4(d)(5))
- In the same way that capital funds cannot be used for operating expenses, capital funds may not be used for maintenance 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
Obtaining State CC Appropriation for Capital Projects (Step 1)

**Capital Planning – Spring/Summer**
Ongoing process:
- Review Master Plan and identify critical capital needs
- Prioritize funding, resources, etc.
- Discuss capital needs with Sponsors

**Capital Budget Request – Summer/Fall**
- 5 Year Projection/Plan: Due 9/1
- Year 1 Request: Due 9/30:
  - Final Year 1 Project List
  - Project Auction Forms
- Sponsor Resolution: Due 12/15

**Executive Budget Release – 3rd week of January/Early February**
Governor/Division of Budget releases proposed NYS Budget to the NYS Legislature for their consideration

**NYS Legislature Budget Process: Early February to April 1?**
Legislature conducts final budget negotiations and develops final bill for vote by NYS Senate and NYS Assembly

**Budget Passage – April 1 (ideally)**
Final version of NYS Budget is passed
New appropriations are now available for CC use
Planning and Communication Ensures Project Initiation and Actions Can Occur as Planned

Prior to the Annual Request for State Appropriation:

Spring/Summer:

- Annual planning should be occurring reviewing past capital plans and current needs
- Schedules should be identified based upon College priorities, funding and related resources
- Facilities Department should work with Business Officers to ensure that capital needs are identified and can be brought to the college Sponsor for support for the projects and identification of financial resources to support the local share of project costs
- Colleges should consider requesting appropriation for unanticipated critical maintenance issues that arise outside the NYS Budget cycle – SUNY has a limited amount of statewide appropriation to be used in emergency situations (i.e. roof destruction due to a storm) which still requires the local 50% match; standard critical maintenance issues would not qualify for such use

Solicit/Identify State Appropriation: STEP 1

1) Obtaining State Appropriation:

Summer/Fall:

- Submission of 5-Year Projections:
  - Project Title, Project Type, Estimated Schedules and Budgets
  - Probability rating of project’s likelihood of progression

By September 30

- Details of Year-One Plans:
  - Completion of Project Action Form: Project Details, stressing necessity of project/ramifications of not conducting project activities, schedule and budget; the details should also tie to the Governor’s education initiatives, outlined in the State of the State, previous Budget communication and in other forums
  - Local Sponsor Resolutions committing support to the project and local project costs; if resolution is not ready to be forwarded to SUNY, a date of delivery must be provided to SUNY (no later than 12/15)

Mid-January/early February:

- Release of Governor’s Executive/Proposed Budget
- The NYS Legislature conducts budget negotiations to develop a final version of the Budget bill for vote

April:

- Likely Vote/Passage of Final version of NYS Budget Bill

Colleges can now apply for Project Approval (Step 2) and Financing Approval (Step 3) for any project included in the NYS Budget via a line item

If State appropriation for the specific project is in force from a prior year and in the current year’s NYS Budget, then the above schedule is not an issue and Colleges can skip to Step 2
Project Title: Academic Building Renovation and Addition

2. ACTION: ☒ Request for State Appropriation

3.a. PROJECT SCOPE: Provide % for each component included in the above project:
   - Rehabilitation: 10%
   - New/Addition: 50%
   - Property Acquisition: %
   - Critical Maintenance: 40%
   - Infrastructure: %
   - Site Improvement: %
   - Demolition: %

3.b. PROJECT CLASSIFICATION: Check all that apply
   - ☒ Health/Safety
   - ☒ Facilities Preservation
   - ☐ ADA/Other Compliance
   - ☐ Program Improvement or Change

3.c. FACILITY USE: Check all that apply
   - ☒ Academic: Provide detail in project scope
   - ☐ Administration
   - ☐ Central Services
   - ☐ Library
   - ☐ Student Life
   - ☒ Student Services

3.d. FACILITY INFORMATION:
   - Bldg # per PSI:0013
   - Building Name: Academic I
   - Current GSF: 50,000
   - Post Project GSF: 75,000

4. PROJECT COMPONENTS: Attach additional sheets if needed

   Design for renovation of and building addition to Academic I which houses general academic classrooms and student services.

5. PROJECT JUSTIFICATION: Attach additional sheets if needed

   The existing Academic Building is beyond its useful life and in need of major rehabilitation. There are critical safety issues which need to be addressed.

   In addition, the college has identified a significant need for new academic space and is far below the recommended classroom space per FTE. Student services will be moved to the building addition and classrooms will be made into modern facilities to serve the growing student enrollment and academic programs.

   This request is for funding for the design and construction of the project.

6. BUDGET AND SCHEDULE: If project has different phases/components (multiple projects within a larger project), to be completed on different schedules, in order to project cash flows use lines to separate costs and dates (date format mm/dd/yy). If not enough rows, attach a separate Excel spreadsheet.

<table>
<thead>
<tr>
<th>Phase/Component</th>
<th>Useful Life</th>
<th>Design</th>
<th>Construction</th>
<th>Equip. Budget</th>
<th>Beneficial Occupancy</th>
<th>Total Cost (auto calculated)</th>
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</thead>
<tbody>
<tr>
<td></td>
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<td>Start Date</td>
<td>Budget</td>
<td>Start Date</td>
<td>Budget</td>
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<tr>
<td>Rehab of Existing Space</td>
<td>25</td>
<td>4/1/15</td>
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<td>12/1/15</td>
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<td>4/1/15</td>
<td>$1,200,000</td>
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<td>$</td>
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<tr>
<td>TOTALS (auto calculated)</td>
<td></td>
<td>$1,800,000</td>
<td>$25,600,000</td>
<td>$1,600,000</td>
<td>$</td>
<td>$29,000,000</td>
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50% State Share (auto calculated): $14,500,000

7. ARCHITECT: TBD
CC Project Approvals

Step 2: SUNY Project Approval

SUNY Project Approval: STEP 2
At any time as long as State appropriation is in force
- Submission of Revised PAF with finalized budget and schedule
- Sponsor resolutions must identify funding source

Step 3: Project Financing Approval

Project Financing/DASNY Review and Approval: STEP 3
- Submission of Finance Application
- DASNY/Bond Counsel review documents, ensure acceptability for project State financing through tax-exempt bond proceeds

Requests for 50% State reimbursement can be submitted upon completion of SUNY Project Approval and Project Financing and assignment of a DASNY project number to use when submitting
SUNY Project Approval: STEP 2

2.) SUNY Project Approval:

Required Materials to Submit to SUNY:
- Completion of Project Action Form (SUNY has made the form editable and savable):
  - Review previously submitted project information
  - Under Action: Ensure Request for Appropriation is unchecked and Request for Project Approval is checked
  - Revise and/or complete all project description fields esp. Building # per PSI
  - Revise schedule and budget previously communicated to SUNY if necessary
- Submission of Local Sponsor Resolution
  - The resolution should contain the project name, overall budget and source of local project costs; a new resolution may need to be passed if the earlier resolution submitted when requesting State appropriation did not clearly list the funding source
- After SUNY Approval is given, CCs must complete a financing application to send to DASNY

DASNY Financing Approval: STEP 3

3.) DASNY Financing Approval:

- DASNY and Bond Counsel reviews project information in concert with Private Use survey to ensure compliance with IRS regulations relating to use of tax-exempt bond proceeds
- Once approved, DASNY establishes an account with a DASNY project number to be used when submitting claims for 50% reimbursement
- SUNY Project Approval and DASNY Financing Approval averages 8 weeks, so ensuring approvals are being processed PRIOR to planned project start date are essential; this time can be extended further if additional approvals are required (ex. property acquisition)
- After DASNY communicates the approval and project number, SUNY sends an email to the College with the DASNY project number attaching current reimbursement forms and information

SUNY cannot guarantee any State reimbursement until ALL approvals are granted
4.) Project Ongoing Actions: Once all approvals are provided
- SUNY informs CC VP of approval and DASNY project number to use when submitting claims
- SUNY provides the latest forms to use when requesting reimbursement

College Staff should:
- Work with CC Business Officers to ensure SUNY is informed of any change in project schedules
  - Why? To ensure cash flow projections remain as accurate as possible and ensure funds are on hand for State reimbursement for all program projects
- Keep vendor invoices coming
  - Why? To ensure cash flow projections remain as accurate as possible; to ensure CC/Sponsor is keeping track of project costs and can address any cost overrun issues, and to ensure cash flow projections remain as accurate as possible and all CCs can continue to be reimbursed

4.A.) If a Capital Budget Needs to be Increased:

College Staff should send to SUNY:
- An updated Project Action Form for the project reflecting the revised budget components and schedule
- A revised resolution from the Sponsor clearing stating the increase and approving the new project budget and the local share of project costs
- A resolution from the CC Board of Trustees approving the new project budget and the local share of project costs
- After SUNY approval, a revised financing application must be completed and returned for DASNY/Bond Counsel review and approval

SUNY will:
- Review the request and determine if there is available appropriation
  - If appropriation is available, SUNY issues a revised project approval
  - If sufficient appropriation is not available, additional funding will be included in the next annual budget request

After SUNY approval, College Staff should send to SUNY:
- A revised financing application for DASNY/Bond Counsel review and approval
**A Capital Project is Completed: Now What?**

- Let SUNY know!
  - Why? To ensure that SUNY has final project information (budget and component breakdowns, schedule information, etc.) and can conduct close-out activities and so the College can show off!
  - SUNY is in the process of developing a formal close-out process with forms and process information to follow in the near future

- Send SUNY some pictures
- Invite us to a ribbon cutting
- Get started on another project
Annual Private Use Survey

The survey is a critical component of bond issuance due diligence for SUNY and determines the amount of “private” or “non-governmental” use (NGU) in facilities financed through New York State by tax-exempt bonds. This determination is important as excessive non-governmental use of bond-financed facilities jeopardizes the tax-exempt status of the bonds.

SUNY is required by DASNY to certify non-governmental use of bond proceeds and bond-financed facilities before new bonds can be issued as well as not engaging in certain activities during the term of the bond issue.

- Previously required for each new project
- In 2012, changed to annual survey completion reflecting all private use on campus

- Uses include, but not limited to:
  - Bond Counsel's due diligence to ensuring IRS compliance with bond-financed reimbursement, bond sales, refinancing
  - Coordination with CC Rental Aid assistance process
  - START-UP NY information collection

- Review of:
  - Incidental Private Use: Vending machines, ATMs, etc.
  - Non-Incidental Private Use: Space dedicated for private users: Dining facilities, bookstore, Foundation offices, Start-UP NY, etc.
  - Research Entities Use
  - It is essential that SUNY/Bond Counsel is provided with terms of agreement for private users of any space listed in Part III

2015 Survey distributed via Administrative VPs and Facilities Managers per Listserve on Monday, February 23, 2015

Return Date for Completed Surveys Friday, March 20, 2015
Office for Capital Facilities

Overview
The State University of New York Office for Capital Facilities is responsible for providing tools, training and communication to the 64 Campuses within the SUNY System in support of Campus programs for management of facilities. The office provides guidance, oversight and technical expertise regarding the management of campus facilities in accordance with applicable New York State laws and regulations. A variety of disciplines are represented within the department including:

- Campus Let Contracts Program
- Community College Capital Program
- Energy Management and Planning
- Environmental Health and Safety
- Office of Sustainability
- Residence Hall Capital Program

Office for Capital Facilities
http://system.suny.edu/capital-facilities

Capital-Related Contacts

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