



The State University
of New York

Office for Capital Facilities

Guidance Document

CCP-1

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Requesting Capital Appropriation

A guide for community colleges

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1. Foreword

This document has been created to guide the Community Colleges and local Sponsors in the process for requesting capital appropriation in the New York State Budget. This is the first step in setting up a capital project, for which the State will be funding up to 50% of the total project cost. 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. The project set up process has three steps in total:

- STEP 1) [Requesting Capital Appropriation \(CCP-1\)](#)
- STEP 2) [Capital Project Initiation and Revision \(CCP-2\)](#)
- STEP 3) [Capital Project State Financing \(CCP-3\)](#)

In addition to these guidelines above, the OCF maintains an enhanced website with information and tools for Community Colleges. Other Guidance Documents, forms, and materials currently in effect are centrally located to assist Colleges with the Capital Program: <http://www.suny.edu/capitalfacilities/>

Also, [SUNY University Wide Policies and Procedures](#) can be located on SUNY's website, providing additional resources addressing academic, operational, governance, and financial issues.

Please note that references have been made, within this guideline, to various New York State legislation

and regulations, NYS Education Law Article 126 and NYS Codes, Rules and Regulations, Parts 600, 603, etc. Readers are to refer to the official documents for details and questions not immediately covered in this document.

Finally, above and beyond all written guidance that we can create or provide reference to, the OCF fully realizes that there are unique issues relative to the capital program and we encourage Colleges to contact us at any time to discuss.

2. Introduction

Community college capital is regulated by Part 603 of the NY Code of Rules and Regulations, which is based on NY Education Law Section 6304. In this capital program at least 50% of project costs must be funded by the locality. New York State will fund up to 50% through State appropriation authority.

A College's local Sponsor is a Local Sponsoring Agency. A typical Sponsor may be a county, a community college region, a city, or a board of education and may have several of these entities overseeing college operations. The Sponsor, along with the State, students and other counties, supplies the basic fiscal support for the college by establishing the college, providing local financing, accepting title to college real property to be held in trust for the college's use and purposes, approving budgets, and selecting the prescribed procedures for the audit of college funds (8 NYCRR §600.1(c)).

As the Sponsor has fiscal oversight for this program, a College should follow the Sponsor's procurement regulations and allow them to engage with architectural and engineering consultants and contractors. The State's oversight for capital is managed by SUNY's Office for Capital Facilities and most procedures and guidelines are articulated in materials located on OCF's website.

3. Qualified Capital Projects

Per (8 NYCRR §603.3), capital projects eligible for State funding include but are not limited to:

- 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

Projects that are not eligible for capital assistance include most repairs to buildings, grounds, or equipment. A "Repair" is defined as "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. **NOTE:** Critical maintenance is allowed as it substantially extends a facility's useful life.

4. Developing a Capital Plan based upon a Facilities Master Plan

A vital step in the process of identifying capital needs is the development and maintenance of a Facility Master Plan (FMP). An FMP typically covers a five-year period, with periodic reviews.

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 Board of Trustees each pass resolutions acknowledging their acceptance of the plan. The College must then forward the resolutions to OCF, along with the FMP (an electronic copy is acceptable). The FMP should be supported with appendices providing project scope, estimated budgets and schedules. 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 and must be acknowledged and documented by a separate resolution. It is this resolution that is used for the SUNY budget approval process. In order for SUNY to approve a project budget, proof of funding is also required.

Prior to contacting OCF to request State appropriation for capital projects, a College should conduct preliminary work:

- Development, periodic review, and updating of the College's FMP
- Identification and prioritization of project(s)
- Development of budgets, timelines, etc.
- Identification of Sponsor funding
- Progress towards obtaining County Improvement Plans (CIPs) and/or Sponsor Resolution(s)

As Colleges inevitably have more capital needs than available resources, a valuable step in this process is to prioritize projects based on factors such as:

- Emergency facility needs
- Health/safety
- Construction necessary to keep facilities code compliant
- Energy Conservation
- 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

In addition to the traditional process for obtaining State appropriation, 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 NYS Division of Budget's (DOB's) funding priorities, continue to be refined. SUNY expects this to persist and has made some generalizations in this document to facilitate. Information is provided to Colleges and Sponsors each fall to provide annual guidance.

5. Requesting State Appropriation

The first step for a Community College capital project is requesting capital appropriation. Appropriation gives authority to State entities to encumber and disburse State funds, either State bond proceeds (advance) or directly from the State of New York (hard dollar). This is manifested in the project being

included in an appropriation in the NYS Budget.

a. How to Request State Appropriation

The preferred method to request capital appropriation is through SUNY. OCF develops a consolidated request to DOB for community college capital, which is part of an overall SUNY budget submittal requesting support for operations, capital, and statewide initiatives. DOB reviews the submission for possible inclusion in the Governor's Executive Budget, which in turn is presented to the NYS Legislature for their consideration and final negotiations with the Governor, prior to the passing of the final enacted Budget bill. Appropriation requests for the Colleges are done in the fall prior to the budget year for which the appropriation is requested (i.e. September 2015 for the 2016/17 NYS Budget). In special circumstances, DOB has allowed for late submission of passed sponsor resolutions up to December 31.

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 and must consider State priorities, issues related to State borrowing, and other factors that impact the ultimate Executive Budget.

Once the Executive Budget is published, there is a 30 day amendment period for errors to be addressed, but substantive changes generally do not occur. Additionally, other opportunities exist for SUNY to lobby for components left out of the Executive Budget. Annually, SUNY Government Relations and Communications departments, working together with OCF, the SUNY Budget Office and the State University Construction Fund will continue to selectively advocate for specific legislative initiatives until the Enacted Budget is passed into law.

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 that a project be included in the final enacted Budget bill. However, it is difficult to ensure that, even if added, the appropriation will not be 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.

The Executive Budget and changes during the Legislative negotiations are compiled into final Budget bills in both the Senate and Assembly, which must match each other. The final bill is voted on by the full Legislature. Upon an affirmative vote, the Governor has 10 business days to review the final legislation and potentially veto select line items before signing the bill into law.

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

b. Appropriation Naming

Community College appropriation is 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 an appropriated project. If the project is clearly defined, i.e. the construction of a new building, then 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, then 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, OCF can consider the request and not be constrained by the appropriation language. Otherwise, a language change must be requested to DOB and, even if DOB agrees and includes the change, use of that appropriation is delayed until passage of the next State Budget.

c. Appropriation Language Changes

Colleges should make every effort to request appropriation for realistic and supported projects. Capital appropriation is specific to the College and project, and a project scope may have changed or the location of the project may move. Language changes to prior year appropriations must be requested in the fall during the preparation of SUNY's capital budget request, the process dependent on the method for the appropriation's original inclusion in the Budget. Colleges may contact OCF to discuss options to potentially change an appropriation. A language change is only codified after approval of the NYS Budget by the Legislature and signed into law.

d. Lapsing Appropriation

The NYS Budget process recognizes that 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 in the current budget, then it is considered lapsed and can no longer be applied to a capital project after September 15th of the current budget year, even if some or all of the appropriation remains 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. OCF will work with Colleges in the effective use of existing appropriation.

6. 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 OCF reaches out to Colleges seeking capital planning information. 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, understanding that plans do change. Basic information is asked about all included projects (project type, space function, etc.) and Project Action Forms (PAFs) are employed to collect more details for any project in the first two years of the request, empowering SUNY to appropriately respond to specific questions by DOB. All this being said, the formal request sent to DOB for community college capital appropriation is provided on a one-year basis.

The second step is the formal budget submission in early fall. A letter is sent to College Presidents from the Vice Chancellor for Community Colleges requesting specific documentation required by SUNY and DOB to 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 PAFs, explained in detail further in this document.

DOB reviews all documentation including PAFs. It is important to ensure that a thorough

justification is provided, as well as any negative consequences of not approving the project when filling out the PAF. OCF 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 approval.

b. Project Action Form

OCF has developed a fillable PDF for college use. This form has multiple purposes: 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, Colleges should make every effort at fully explaining project needs and impacts.

- i. *Project Title*: Particularly with initial appropriation requests, the title should be explanatory but allow for flexibility if project details change. For instance, a college may want to 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, OCF 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) that the capital project will impact.
 - d. *Facility Information*: The current building number (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 OCF and DOB to fully understand the project, including attachments if more documentation is needed.
- v. *Project Justification – Narrative*: Highlight the project’s importance for the education of students and negative consequences if the project is not approved. It is helpful to use verbiage that highlights 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 in order for OCF 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 OCF in its role of justifying the request. An update should be provided any time a major change in schedule occurs.

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

c. Sponsor Resolutions

DOB will not approve an appropriation request, as part of SUNY's annual submission, without a sponsor resolution reflecting commitment to the project and the local 50% share of project 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, PAF).

If local funding is not coming directly from the Sponsor (ex. gifts, fundraising), then 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 OCF 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 from 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, then it may be sufficient for 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 via 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 Condition and age of system/asset indicates the need for replacement/rehabilitation

OCF is available to review draft resolutions to mitigate potential issues.

d. College Requirements for Requesting Additional Appropriation for Budget Increases

There are occasions when an approved 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. The College will use the same process to request appropriation as it did for new projects; include in the narrative a reference to the original project, the additional need, and why that funding is needed. A College Board of Trustee resolution, indicating awareness and approval of the increased cost, is required by program regulations for a requested budget increase.

- **Documentation Required for Appropriation Requests**

The following is required in addition to any project-specific information requested by OCF such as the PAF (electronic copies are acceptable):

- Request Letter from College President or Vice President
- 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

7. SUNY Submission of Capital Request to the Division of Budget

Prior to submitting documents to DOB, OCF does its best to ensure that College requests are complete and all required documentation is included. OCF also reviews resolutions to ensure they appropriately reflect the required local commitment.

OCF works with SUNY's Budget Office and the State University Construction Fund to develop a comprehensive request. The group conducts financial analyses and develops materials, including narrative summaries of capital needs and descriptions of specific projects and project categorization, for SUNY Board of Trustees' review and approval prior to submitting to the DOB. SUNY staff also develops forecasts for project commitments and disbursements along with 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. It is forwarded to DOB; OCF addresses questions and advocates for inclusion of the full request in the Executive Budget.

8. 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 its needs. SUNY will answer questions regarding the submission and advocate for the full inclusion of its request in the final version of New York State's Budget.

Once the Executive Budget is released, OCF will contact the Colleges to inform them of the result of SUNY's efforts to obtain capital appropriations on their behalf.

9. New York State Budget Passage

The Legislature reviews the Executive Budget and begins internal discussions to obtain consensus in both houses and with the Governor's office in development of a final budget bill. The bill may include projects 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, the Governor has 10 days to review the bill, potentially veto line items and sign the bill into law. After that, SUNY project approvals can begin.

Access to State Appropriation

An appropriation request (including a PAF and other documentation) **does not** automatically translate into a project approval once the NYS Budget is passed. The College must submit a new PAF and a new Sponsor resolution if the original submitted for the appropriation request did not include the source of local funding. The PAF 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 OCF in accurately gauging the speed of expenditures and respond to Department of Budget inquiries.

Guidance Document [Capital Project Initiation and Revision \(CCP-2\)](#) outlines this process in detail.

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

10. Other Types of Capital: REDC/ESD, SUNY 2020

Additional options for State funding for capital are available 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 from multiple sources, then Colleges can work with OCF 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. Details can be found at <http://regionalcouncils.ny.gov/>. The potential for matching a REDC grant is dependent on the underlying funding 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](#)