

STATE FUNDED CAPITAL IMPROVEMENT PROGRAM
INSTRUCTIONS FOR CAMPUS ANNUAL STATE BUDGET REQUEST SUBMITTALS
(Updated January 2008)

1. Overview and Calendar

This document provides instructions and guidelines for the development of State capital funding proposal to be considered for inclusion in the annual Regents Budget for Capital Improvements and Capital Improvement Program, and the annual update of the State-funded five-year Capital Improvement Program. The primary issues and emphasis of the next cycle of the University's capital program are discussed in a letter specific to that budget year.

The Regents Budget document is divided into two parts. The first part provides a summary overview of the University's request for State capital funding in the new budget year, with a table listing each project funding request in University priority order.

The second part of the document provides a chapter summarizing the capital program of each campus. This consists of an introduction discussing enrollment, program issues, and capital strategies; a table presenting the campus State-funded five-year capital program with specific projects listed in campus priority order; a section with a brief description of each project in the five-year program; and a section outlining specific capital needs and related future State and non-State funded capital projects.

The schedule for submission of campus proposals and development of the five-year State-funded Capital Improvement Program is provided separately in the annual letter. Note that the State Department of Finance (DOF) requests that Project Planning Guides (PPGs) be submitted individually as soon as completed between February and May; each project PPG deliverable must be scheduled individually with the Budget Office. Please address campus submittals to Director Aull. This includes the Initial Summary Program Submittal, Project Planning Guides, Equipment Lists, etc.

2. Project Categories

Projects proposed for the five-year Capital Improvement Program are discussed in six categories, listed below with a definition of projects eligible for State funding in each category. The order of these categories does not represent the determination of project priority in the final Regents Budget.

- (1) Capital Equipment
- (2) Program Improvement
- (3) Infrastructure: Campus Utilities and Building Systems
- (4) Life and Safety Code Corrections
- (5) Seismic Safety
- (6) Other

Category 1: Capital Equipment

This category is for projects previously funded for construction for which State funds are requested to purchase Group 2 and 3 equipment. The State intent is to provide the equipment necessary to make the building project operational, not to satisfy independent programmatic needs.

An itemized Equipment List must be submitted to document the funding request. By State guidelines, the total dollar value of equipment that may be requested is based on the Universitywide average value of equipment per square foot for each category of program minus the value of the existing equipment retained by the programs involved in the project. Guidelines for preparation of equipment funding requests were detailed in "Instructions for Budgeting Equipment, Capital Improvement Program," January 1985.

The year in which a capital equipment appropriation is requested should be based on the most current project schedule and should coincide with the final period of construction. For example, if the project construction period is estimated to be two years, the equipment request typically would be budgeted during the second year of the construction period. Please include the most current project schedule with the draft Equipment List (but not the final) to confirm the appropriateness of this funding sequence.

Because so many new facilities are under construction, the amount of funding requested for movable equipment has increased significantly. State capital funds are limited and are urgently needed for design and construction.

The total amount requested for equipment of new buildings should be no more than allowed by formula, and preferably less. In compiling the detailed equipment list, consider the potential for using a variety of sources other than State capital outlay to fund equipment, e.g., gifts or grants. DOF has also stated that capital funding would not be provided for basic office equipment (e.g., “word processors”, fax machines, copy machines, waste baskets), which should be funded from departmental operating budgets. The State Department of Finance has stated that they will not support use of capital funds to equip renovated facilities, but only new space.

If there are any questions about capital equipment budgeting, please contact Senior Budget Analyst Paul Hanchock at (510) 987-0963.

Category 2: Program Improvement

This category is for projects to alter existing facilities or to construct new facilities to meet the needs of academic programs. The following types of facilities are covered:

- instruction and research standard space
- campus library space
- non-standard support space, such as animal care facilities and greenhouses
- organized research unit space (when justifiable on an exception basis as a high academic priority)

Include major building rehabilitation projects in this category when renovation can be justified by the obsolescence of program space or by the need to accommodate changing program requirements.

Funding requests for projects in this category (both proposals for new space and major renovations to existing space) must be justified in the context of the current campus space plan or a master plan for a particular type of facility, e.g., campus library plan. This plan must demonstrate that:

- there is no reasonable alternative to meet program needs other than a capital outlay project (e.g., reassignment of existing space without major alterations); and
- the proposed solution is the most cost-effective capital alternative considered.

Requests involving classroom and teaching laboratory space must include campuswide and department utilization data relative to legislated utilization standards. State policy is not to fund additional space if campuswide utilization does not meet the legislated standard. State funding for expansion of standard space in general is usually limited on a campuswide basis by the amount of space supported by CPEC space guidelines.

Requests for additional academic program space or for major reallocation of existing academic space must indicate how the proposal will meet the needs of:

- current "budgeted" student FTE enrollment and planned enrollment growth;
- current "budgeted" workload or planned workload growth, due to an increase in enrollment or to curricular changes (as measured by student contact hours, undergraduate major headcount, graduate headcount); and
- current "budgeted" academic faculty FTE and planned academic faculty FTE growth.

It is particularly important that student enrollment and workload data presented for each academic program in the Project Planning Guide be consistent with the figures in the approved Space Analysis Tables. This data also must be consistent with short-term enrollment levels reported in the Regents Budget for Current Operations and the long-term campus enrollment plan approved by the Office of the President for capital planning.

The University’s Compact agreement with the Governor acknowledges the need to make effective use of existing facilities if additional funding is to be provided for expansion of space. This includes an agreement to expand summer and off-campus academic programs to the maximum extent possible, with a target of 40 percent of average fall/winter/spring term enrollment. Enrollment projections have been provided that define for each campus total FTE summer term enrollment by year as well as conventional quarter/semester enrollment numbers. Project documents should reference the total enrollment level including summer in describing overall growth, but should base analyses of facility deficiencies for classrooms and class laboratories (and other peak-based needs) on regular quarter/semester enrollment levels as discounted for the summer enrollment target of 40 percent.

Campus library projects proposed for the five-year Capital Improvement Program must be based on an evaluation and master plan information access and library space needs on a campuswide basis. This should include explicit consideration of how evolving instruction and information access strategies and related financial resource allocation priorities will impact library practices and needs. The key campus policies and practices that guide development information services should be clearly defined, particularly in the context of new technologies. A proposal for an expansion project should demonstrate that it is justified in the context of total campus information access resources, including the maximum use of universitywide online and physical storage services. During early planning, these issues should be explored with the Office of the President, arriving at a mutual agreement concerning the parameters of a project for which State funding can be expected and how the University's library space planning guidelines will be applied. Draft Project Planning Guides for libraries should include space allowance tables for the campus library system as well as for each specific library involved in the project. In addition, the draft submittal should be accompanied by a copy of the campuswide information access plan.

Category 3: Infrastructure – Campus Utilities and Building Systems

This category includes renewal and expansion projects that deal with problems of physical condition and capacity of campus infrastructure systems, particularly campuswide utility networks and existing buildings service systems. It includes expansion of campus infrastructure systems to meet new campus requirements and also replacement and upgrade of aging or technically obsolete utility and building systems that are experiencing repeated failure, require extensive maintenance or no longer can be repaired, and have an impact on the continued and effective use of facilities. Any project justified as necessary to support another separate project should be identified in the documentation of that separate project and should be scheduled in a timely manner, to avoid the appearance of attempting to force the State to fund an infrastructure project on an "emergency" basis.

Examples of projects in this category include the replacement and upgrading of sections of a campus primary electrical system or a building electrical system (renewal and replacement), and expansion of central chilled water systems or construction of new roads (expansion and improvement).

A Project Planning Guide for an infrastructure project should explain the impact of the project on campus academic programs to assist in justifying the need for the project. Projects that are justified primarily on the basis of changes in academic programs or that are required to meet safety code requirements should be presented in the capital program categories for program improvements or code corrections.

It is important that each project involving renewal or replacement be carefully justified by including the description and documentation of specific deficiencies and problems, such as the number and character of equipment failures, demand shortfalls, excessive operating or repair costs, or service impacts. Alternative means of correcting the deficiencies must be analyzed.

In general, a project that involves expansion of an existing infrastructure system must be based on a thorough engineering study which documents current and projected demand and evaluates technical alternatives for providing additional capacity. Projects that involve expansion of campus utility systems must be based on an approved master plan. Also, if a proposed project is the first phase of a larger program that will be carried out through a series of individual projects (e.g., incremental replacement and expansion of a steam distribution system), a master plan for the entire program must be available to support the individual project phases.

Category 4: Life and Safety Code Corrections

Life and safety code correction projects submitted for the five-year capital program should be based on documented evidence of health and safety hazards. Proposals should reflect a careful evaluation and documentation of the health and safety hazard, the urgency and magnitude of the problem being addressed, and the exploration of alternatives for correcting the problem. Code correction projects should not involve technical solutions that have been rejected previously by the State as inappropriate or less than cost-effective.

Documentation required for code correction projects involves more than a simple reference to the applicable code and a statement that the particular facility does not comply. Citations or written warnings from external regulatory agencies should be included in the Project Planning Guide when available. The Project Planning Guide should explain whether the proposed code correction work is "mandatory" (defined as code requirements that are retroactive to existing structures and for which a compliance date for correction has been established). The program or function housed in the facility must be described, as well as the number of people or level of activity at risk in a non-compliant situation. Non-capital solutions for elimination of the hazard must be addressed if applicable.

The State Department of Finance has directed that funding for access improvements and asbestos hazard corrections be requested only as part of a larger capital outlay project (e.g., a project for general renovation or renewal of a building), rather than as special projects focused on access or asbestos. Please contact Director Aull if you have questions about these needs.

Category 5: Seismic Safety

Both Regents and State policy place great emphasis on correction of all seismic life-safety hazards rated seismically “Poor” or “Very Poor”. Projects to correct these hazards in facilities housing programs eligible for State support should be addressed within the Campus-funded and State-funded capital program as an important and high priority need. Although a number of considerations affect the scheduling of specific projects, in general those buildings presenting the greatest risk to life should be addressed first.

The State has requested that any seismic corrections funding request should identify the hazard level of the applicable building using the State Division of General Services (DGS) seismic rating system in addition to the University rating system, and that for the foreseeable future project funding requests should be limited to buildings rated DGS Level V and VI. Documentation of the DGS rating should be provided with the PPG submission.

Seismic safety correction projects must be based on detailed engineering studies that have confirmed the hazardous conditions, investigated the structural deficiencies and correction alternatives in detail and recommended the most functional and cost-effective solution, and clearly defined the scope and cost of the corrections proposed. Any proposal for replacement of a hazardous building should be thoroughly justified by detailed studies documenting that replacement is either required or more cost-effective than strengthening the existing building. These detailed studies must be submitted in draft form prior to the draft PPG to Director Aull for review in support of the funding proposal. The final reports must be available for evaluation by the Legislative Analyst during legislative review. As funding is limited, the State gives clear priority to life-safety objectives over the protection of property.

Category 6: Other

This consists of projects to meet campus needs that are not covered by the above categories. Such projects should be discussed at the earliest possible date with Director Aull.

3. Multi-year Capital Program and Budget Request: Documentation Required

The campus submittal of the proposed capital program for State funding consists of three parts, as outlined below.

a. Summary schedule of campus five-year program proposed for State funding (template).

The campus Initial Program Proposal for its five-year program should be based on capital funding targets established for each campus. If increases in cost for continuing projects are proposed, these increases must be accommodated within the capital funding target.

The introduction of new project starts should be scheduled throughout the entire five year period as required, including the final year of the program, reflecting a comprehensive long-term program.

For new project starts scheduled in the last years of the five-year period, funding phases occurring after the last year of the five-year program should be shown by year in the additional columns provided for this purpose on the schedule form.

Projects should be presented in campus priority order in each year without regard to project category.

This summary schedule should display appropriations received for each project prior to the new budget year (both State and non-State sources), using the assumption that the Governor's current proposed Budget will be funded. The summary schedule should also display the specific appropriation requested in each year and the total project cost.

- Include the campus plant account number assigned to each project in parentheses following the project title.
- Estimate costs at the State-approved CCCI and EPI used in the current Governor's Budget. You will be notified when the Department of Finance establishes new cost indexes for the new budget year, allowing final adjustment of the figures.

- Round project budgets to the nearest \$1,000, and present them in \$ thousands.
- The funding schedule should identify the amounts associated with each project phase: preliminary plans (P), working drawings (W), construction (C), and equipment (E). Please list each phase, fund source, and amount separately, even though funding for more than one phase has been received or is being requested in a single year.
- Non-State funds allocated to any project should be included and designated within brackets, with the appropriate letter designation for the non-State fund source placed to the right of the dollar amount. List each increment of non-State funding separately by source and phase.
- Omit reference to specific State fund sources (e.g., revenue bond funds) for future appropriations.
- The proposed budget request for each project should reflect a time schedule based on the ability to initiate and complete project phases as budgeted, obtain the release of funds on a timely basis, and validly commit and expend funds within the time constraints imposed by control or provisional language in the Budget Act.
- Total the amount of all State funds requested, in each of the budget years shown on the final page of Attachment 1. Also total all non-State funds in each year, if applicable.

Please use the format shown in Attachment 1 to present the proposed five-year capital program.

b. Capital Project Summary for each new project (template)

Complete a Capital Project Summary form for each new project start proposed for all five years of the program, including new projects in the budget year. Project summaries are not required for continuing projects that have received prior State funding.

The top part of the form is used to record basic project data. The remainder of the form should be used to summarize the following information:

- (1) Problem identification and program objectives
- (2) Alternative solutions considered
- (3) Project description
- (4) Quantitative justification, including an analysis by standards where applicable
- (5) Status of project planning and documentation

A more detailed description of the information to be included on this form is provided in a [separate document](#). Information required for certain categories of projects is outlined in Section 2 of this document.

This information is easier to review if presented in outline rather than narrative format. Please keep statements brief, factual and objective. Limit the summary to two pages, with additional quantitative analysis attached as appropriate.

These project summaries will be important in developing an initial assessment of new project starts to be considered for funding in the following year's budget and in review of projects proposed for subsequent years.

c. Office of the President Draft of Multi-Year Program and Regents Budget Tables

A draft copy of the UCOP final draft five-year Capital Improvement Program funding schedule will be sent to the campus for review and comment.

d. Campus Introduction and Capital Needs Sections

The Regents Budget for State Capital Improvements includes for each campus a chapter that presents a summary of facility issues and needs beyond those projects formally identified in the State-funded five-year program. Each chapter starts with the Campus Introduction section that provides a brief review of enrollment and program issues that drive the campus capital development program. It should link those issues with the broadly-defined facility problems of the campus and discuss the strategies proposed in the campus space plan to address those problems. This should be limited to a maximum of two single-spaced pages.

The Campus Introduction section will be followed by the State-funded Five-year Capital Program table for the applicable campus, the Campus Project Description section with a brief review of each project included in that table, and the Campus Capital Needs section.

The Campus Capital Needs section should expand on the general issues presented in the Introduction by identifying facility problems related to specific programs, with a discussion of how the campus plans to address each problem. The section should emphasize needs that are not addressed in the State-funded five-year capital program or already approved for non-State funding. It should include both State and non-State capital projects, but avoid detailed project descriptions and exact square footage figures or budgets. Projects identified for funding from non-State funds in the five-year program should be consistent with the projects included in the “combined” University Five-Year Capital Program – Non-State and State Funds. The outline of specific capital needs should draw upon the findings of the Campus Long Range Development Plan and space plan, but is not meant to be an exhaustive listing of all foreseeable future capital funding needs.

This Campus Capital Needs section is expected to be between three and five single-spaced pages in length, and should be organized by program within the following categories:

- Core Academic Facilities
- Administrative and Support Facilities
- Health Sciences Clinical Facilities
- Auxiliary Enterprise Facilities
- Utilities, Site Development, Transportation and Parking Improvements (including renewal and replacement)
- Code Corrections, particularly Health and Safety
- Corrections for Seismic Safety

The campus is requested to revise and update the draft Campus Introduction, Campus Project Descriptions, and Campus Capital Needs sections contained in the previous Regents Budget, for submittal in draft form to the Office of the President. Please transmit this as MSWord and Excel computer files by email attachment to the Capital Program Office, with a formal paper copy by mail.

4. Project Documentation

A Project Planning Guide (PPG), Project Planning Guide Addendum (PPGA), or Equipment List is required for each project funding request (for both continuing and new projects) in the Regents Budget (i.e. for the proposed budget year, but not for projects introduced in the subsequent four years of the five-year program).

These three documents are the primary method by which the need and funding request are explained and justified to those external groups responsible for review and recommendation of funding. Project Planning Guides must clearly and succinctly define the program problem, explain the resulting facility deficiency, evaluate alternatives and justify the proposed solution, and describe the proposed project solution. Because the final Project Planning Guide is the official record that forms the basis of the University’s commitment for use of the requested funding, the intent is to focus the PPG on essential information and avoid unnecessary detail. However, the proposal must be based on careful study and detailed pre-design work (including detailed cost analysis) conducted in advance of the draft Project Planning Guide (the PPG is the “presentation” document, in effect); the resulting supportive documentation is to be submitted before (but no later than) the draft Project Planning Guide for internal review and decision-making, and selected materials may be transmitted to the State with the final Project Planning Guide.

The Schedule for development of the Five-Year State-funded capital Improvement program is provided separately by annual letter. The Department of Finance would like to have the University’s Project Planning Guides and related documents submitted to them as early as February. This would present serious problems for the University, and commitments have been made to phase the delivery of these documents between March and the end of May. If we cannot meet this commitment, it is likely that the entire schedule for development of the capital program will have to be advanced several months. Specific delivery dates will be discussed and set with the campus for each project.

Please submit drafts of Project Planning Guide text and related documents (such as project Capital Improvement Budget forms, project schedules, and associated detailed cost estimates) in electronic format as the most expeditious method of exchanging edits and comments. To track revisions, use file names that retain a consistent title but include sequential revision numbers that will reflect even a series of revised drafts made on the same day.

Draft materials should be edited by an experienced writer or editor for clarity (and basic arithmetic, grammar, spelling, and punctuation) prior to transmission to the Office of the President, to expedite review. Our office will give priority to content and presentation of sensitive issues, and must rely on the campus for general quality control because of time limitations. For consistency, please follow the UCOP Stylebook, which can be found on the web at: <http://www.ucop.edu/ucophome/coordrev/stylebook/> or another reliable and sensible guides such as The Chicago Manual of Style.

The number of final copies required of Project Planning Guides and Project Planning Guide Addenda are defined separately with the Program Development Schedule. The documents are to be provided to the State Capital Program Development Office unbound but clipped to facilitate the insertion of final corrections and corner stapling at our office. Special card stock covers may be provided, but they are not necessary.

It must be emphasized that the Legislative Analyst's Office has frequently requested the submittal of detailed pre-design cost estimates and related design study diagrams and information for review, as well as seismic engineering study reports, special master planning studies, and other pertinent documents. These materials are required by the Office of the President for internal review of the project proposal and draft Project Planning Guide in any case, but any modifications or updates determined necessary during review should be made by the campus prior to submittal of the Project Planning Guide to the State, in anticipation of a State request for supporting documentation. Delay in submittal of such material to the Legislative Analyst has been a significant issue in Legislative Budget Committee hearings and has resulted in recommendations for deferral of the funding request.

Project Planning Guide (and Cost Plan and Detailed Budget Cost Estimate)

A complete Project Planning Guide is required for each project that has not received a previous State appropriation. This includes projects previously included in the Regents Budget but for which initial State funding has not been received.

The draft Project Planning Guide should be accompanied by a separate Cost Plan and Detailed Budget Cost Estimate for each new project, whether new construction or renovation. The cost information should reflect the detailed construction cost analysis on which the project budget is based, and should include a list of key assumptions shaping the budget. Submittal to the State of pre-design study materials or, after funding, the submittal of preliminary plans or working drawings, should include the Cost Plan with the detailed cost estimate. The Cost Plan forms and instructions for their use is provided separately. Please contact Assistant Director Cara Fladd in the Capital Program Office, at (510) 987-0967, if you have questions concerning the preparation of detailed cost estimates and Cost Plan materials.

Transmit preview material and the draft Project Planning Guide as a computer file to Assistant Director Fladd.

Project Planning Guide Addenda

For projects that have received partial State funding, a Project Planning Guide Addendum should be submitted. This should be a very-brief progress report that confirms that the project is proceeding in conformance with the approved scope, budget, and schedule, or identifies any changes thereto. It should provide updated project budget and schedule forms and respond to issues as necessary.

Transmit preview material and the draft Project Planning Guide as a computer file to Assistant Director Fladd.

Equipment Lists

Equipment Lists must be submitted for each project for which equipment funds are requested in the new budget year. An updated project schedule must be included with the draft submittal. Estimated costs should reflect reliable information and be cost-effective and appropriate to the use.

Transmit draft Equipment Lists as a computer file to Senior Budget Analyst Paul Hanchock in the Capital Program Office.

5. Space Analysis Tables and Utilization Reports

Instructions and schedule for the preparation of the Fall Space Analysis Tables and Classroom and Teaching Laboratory Utilization Reports will be provided to the campuses annually under separate cover. Questions should be addressed to Senior Budget Analyst Paul Hanchock at (510) 987-0963.

6. Minor Capital Improvement Program

We do not expect to have funding for the State-funded Minor Capital Improvement Program in the new budget year. However, if such funding were to occur, instructions for development of the necessary requests and supporting documentation will be sent under separate cover.