

AHECB POLICY FOR MAINTENANCE OF NEW FACILITIES

This policy is proposed to ensure that in the future all newly constructed or purchased facilities will have a source of funding for maintenance of the new facility. Institutions seeking approval of a loan or a bond issue for the construction or purchase of a new facility must provide for the maintenance of that facility by transferring annually to plant funds an amount as recommended by the Association of Physical Plant Administrators of Universities and Colleges (APPA). This is currently \$2.50 per gross square foot for an educational and general facility or \$1.25 per gross square foot for an auxiliary facility. A lower rate per gross square foot for a specific building/facility can be approved with appropriate justification.

It is the expectation that the institution will provide for the long term maintenance of the facility for which the funds were accrued. Funds may be utilized for facility renovation and upkeep including upgrade or replacement of equipment and furnishings of the designated building. These funds will be transferred to the plant fund annually and shall begin in the fiscal year following the completion and occupancy of the facility and will continue as long as the building is in use. The funds can also be used for critical and deferred maintenance of the institution.

These transfers shall be reported as mandatory transfers on 17-2 form and all other applicable forms. A Supplemental 17-2 form will be created to list specifically each transfer associated with the designated buildings. Buildings approved from October 2008 prior to October 2010 will report funds transferred based upon their plan identified in their bond or loan feasibility request. Buildings approved October 2010 forward will report based upon the AHECB policy adopted October 29, 2010.

The first report will be presented at the October 2011 AHECB meeting.