

ARKANSAS DEPARTMENT OF HIGHER EDUCATION

CAPITAL REQUEST GUIDELINES FOR THE 2017-19 BIENNIUM

February 18, 2016

With an approximate Education and General plant replacement value of \$5.4 billion, Arkansas higher education should continue to protect and improve its investment in plant facilities, equipment, and library holdings/ technology. In particular, public higher education in Arkansas needs to strategically adopt emerging technologies available for instruction, library resources, and communications infrastructure. Furthermore, perpetual investments need to be made in critical maintenance to increase both plant longevity and safety. The following are the capital funding priorities in the 2017-19 biennium:

- Technology infrastructure improvements including installations or upgrades of local area networks (LANS); campus infrastructure to support increased bandwidth; and instructional technology equipment for classrooms, laboratories, and distance learning delivery systems.
- Critical maintenance projects where "critical" needs are defined as those which must be addressed before the end of 2019 and which, if neglected, could result in substantial damage to the structural integrity of a building, or needs that are related to the imminent failure of building systems such as HVAC, electrical, and plumbing. In addition, critical maintenance projects include those associated with ADA compliance and/or safety needs.
- Improvements in instructional, research, and clinical equipment as well as library holdings/technology.
- Renovation of existing facilities to address changing program needs.
- New construction of facilities when the renovation of an existing building is either not cost effective or is not an option, e.g., new space to address enrollment growth.

Institutional funding requests should be constructed within the context of the above statewide capital funding priorities according to each institution's capital needs.

The following types of projects will **not** be considered:

- Renovation, repair, or construction of facilities primarily used for auxiliary projects; only the educational and general portion of projects, having mixed use, will be considered for state funding.
- Projects related to the operation of a student bus or transportation service.
- Parking lots.

Such projects should be funded by institutional revenue bonds, user fees, or from other non-state funds.

Capital Funding Request Process

An institution's capital funding request will be comprised of four categories: library holdings/technology, equipment replacement, renovation/construction, and critical maintenance.

Institutions are required to **submit requests for renovation/construction** projects and for **critical maintenance** funding and observe the following deadlines:

- No later than **April 4, 2016**, all institutional requests for **renovation and new construction** should be submitted to the Department. Projects should be listed in order of institutional priority with projected funding sources and amounts. The proposed use of the renovated or new space should be described, and, where new construction is requested, the reason that renovation of existing space is not feasible should be described.
- No later than **April 4, 2016**, institutions should submit updated **Facilities Audit Program (FAP)** reports. Through FAP, institutional staff will evaluate the condition of each building on campus. Among other statistics, FAP estimates building replacement values based on current cost data developed from nationally published construction costs and cost experience in the Arkansas market. FAP also estimates the expended useful life of each building by system (roofs, HVAC, etc.), recognizing that building systems have varying life expectancies. These statistics are calculated by uniformly applied methods and cost data across campuses. In addition, institutions are provided the means to identify their priorities among critical maintenance needs (as defined above) and to estimate the expected actual cost of repairs or replacements of specific systems on the basis of their own

local experience or on the advice of consulting architects and/or engineers. *Instructions for submitting FAP reports will be issued to institutions by ADHE with the updated FAP program.*

Renovation/Construction Capital Funding Requests

This year's format for making renovation/construction capital funding requests is similar to past years. The required forms and a copy of these instructions can be found at the following address:

<http://www.adhe.edu/institutions/institutional-finance/biennial-appropriation-process/>

The renovation/construction forms are in Microsoft Word and Microsoft Excel formats. The Excel templates perform some calculations to increase the accuracy and ease of producing the request forms. The format templates can be found under the following filenames:

- Narrative.doc (includes Cover Page)
- Form1.xls & Form2.xls

If these formats are not compatible with your software, please contact Chandra Robinson at 501-371-2024.

Submission of Renovation/Construction Request Forms

Submit **five bound copies**, printed on **letter size** paper, to ADHE no later than **April 4, 2014**. Also, please email a copy of all Narratives, Form 1, and Form 2 to Chandra Robinson at Chandra.Robinson@adhe.edu.

Mailing Address:
Arkansas Department of Higher Education
Attn: Charlene Williams
423 Main Street, Suite 400
Little Rock, AR 72201

Institutional funding requests should be submitted in the following order:

- 1. Cover Page**
- 2. Form 1, Institutional Priority Ranking of 2017-19 Capital Requests.**

Each project requested *must* be assigned a priority; no two projects should be assigned equal priorities. Next describe the project category [renovation, new construction, energy conservation, safety hazard, ADA (handicapped

accessibility), or other]. List the total cost of the project as estimated on Form 2, Estimated Project Cost. Complete the last two columns to the right on this form to show how the total project cost will be funded: (1) from non-state fund sources such as private donations, local tax collections, student fees, revenue bond issues, etc.; and (2) the amount of state funds requested. The institution's president or chancellor must sign Form 1.

3. Narrative: Submit a fully detailed narrative for each project

Narrative descriptions should include at least the following information:

- Project name.
- Type of request--renovation, new construction, energy conservation, safety hazard, ADA (handicapped accessibility), or other.
- Project description including the need for the project, estimated gross square footage, the proposed use of the building after renovation/construction, identification of the allocation of square footage between *educational and general* purposes and *auxiliary*, an estimate of the replacement cost of a building to be renovated (may use the Current Replacement Value contained in your institution's most recent FAP report), and the estimated cost of alternate solutions to the problem the proposed project addresses.
- Plans for use of any space that will be vacated upon completion of the new building.
- Construction schedule--when it is anticipated the project could begin and when completed.
- History of the request that lists whether or not the project was previously requested, the amount recommended, and the amount funded.

4. Form 2, Estimated Project Cost: Submit one Form 2 for each project

Supplement the narrative descriptions with any additional materials or descriptions, which may help ADHE, the Coordinating Board, the Presidents Council, the Legislature, and the Governor in considering the request.

If you have any questions about your capital renovation/construction request, please call the ADHE Institutional Finance office.

Definitions of Capital Project Categories

Construction

- **Renovation/Remodeling:** The modernization of an existing building or reconfiguration of interior space. The estimated cost of projects that belong in this category will generally exceed 25% of the replacement cost of the building. However, if the project cost exceeds 75% of the replacement cost of the building, other options should be strongly considered. Examples of projects in this category include complete renovation of exterior walls and/or removing or replacing building interiors. *Do not include critical maintenance projects in this category or in this request document.* Critical maintenance projects will be considered on the basis of the Facilities Audit program (FAP) submitted separately.
- **New Construction:** The building of entirely new facilities or adding space to an existing building, such as a new wing or an additional floor. Construction projects should be included whether they are creating new space or replacing existing space. In the project description, include plans for use of any space that will be vacated upon completion of the new building.
- **Other:** Any project that does not fit within one of the above categories may be classified as "Other". Examples include land acquisition, site improvements, and demolition.

Critical Maintenance (Requested through FAP)

- **ADA Projects:** Items related to increasing the accessibility of campus facilities to the handicapped. Projects in this category might include the installation of elevators, building ramps, remodeling bathroom facilities, reconfiguring classroom or laboratory space.
- **Energy Conservation:** Projects that will enhance energy conservation and/or improve cost-efficiency. Examples include energy management systems; window replacement; insulation; boilers; retrofitting heating, ventilating, and/or air conditioning systems.
- **Safety Hazard:** Projects that eliminate campus safety hazards. Requests in this category should include documentation of any recommendations or citations that have been received from a Fire Marshall, construction or code inspectors, or other officials. Examples of projects in this category include upgrading fire alarms, sprinkler systems and smoke doors, correcting structural deficiencies, or replacing heating and electrical systems, which present a danger to campus occupants.