

LOUISIANA COMMUNITY & TECHNICAL COLLEGE SYSTEM
Policy # 4.006

Title: CAPITAL OUTLAY REQUESTS

Authority: Board Action

Original Adoption: 05/08/2002

Effective Date:

Last Revision: 06/09/2010

Capital Outlay shall mean any expenditure of funds, regardless of the source of funds, for acquiring land, buildings, equipment, or other properties or for their preservation, development, or permanent improvement in accordance with La. R.S. 39:2(8).

Projects that qualify as Capital Outlay shall include the following:

- acquisition of land;
- site development and improvements;
- construction of new buildings and other structures;
- major renovations, alterations and improvements to existing buildings and structures;
- installation, alterations and replacement and extension of major site utility systems including sewer, gas, water, sub-surface drainage, electrical, mechanical and steam distribution systems;
- installation, alteration, replacement and extension of major building systems including mechanical, electrical, energy management, security, fire protection, etc.; and
- major initial fixed and movable equipment and furnishings for new buildings and structures and for additions and expansions to existing buildings and structures.

Projects that do not qualify as Capital Outlay shall include the following:

- minor alterations and improvements to an existing building or structure such as painting, decorating, ceiling and flooring repair or replacement, or the installation of sanitary fixtures, hardware and similar items;
- projects that involve minor alterations, improvements or extensions that are primarily maintenance work shall not be submitted as Capital Outlay nor shall these projects be combined to form an apparent sizable project; and
- minor fixed and movable equipment or furnishings and supplies for new or existing buildings.

Funding Levels for Capital Improvements.

The following identifies funding levels for capital improvements:

- Construction, alterations, improvements, and extensions of campus facilities, regardless of the source of funding, must be included in the Capital Outlay Bill in accordance with La. R.S. 39:101.

- Capital improvements to campus facilities costing more than the amount included in La. R.S. 39:101, regardless of the source of funds, must have the approval of the LCTCS Board.
- The Board delegates authority to the System President, or designee, to approve small capital projects, which are those that cost less than the amount required in La. R.S. 39:101 to be included in the Capital Outlay Bill.
- The System President or designee shall forward projects to the Board of Regents at the approval amount required by the Board of Regents, supplemented by sufficient documentation, included, but not limited to cost estimates, drawings, etc., to assist in the review process.
- The System President may authorize College Chancellors, or Directors to approve small capital projects costing less than \$175,000.

Site Visitation

The Board of Regents issues an annual Capital Outlay Visitation Schedule. If a college is scheduled for a visit, staff shall make available its five five-year capital outlay budget plan and campus personnel who are available to answer questions.

Board Review

The Board Staff shall provide the preliminary Capital Outlay Budget Request recommendations as a review item to the LCTCS Board of Supervisors one month prior to the request for final approval, usually during the June meeting.

Project Classification

All capital outlay projects requested for funding in the institution's five-year Capital Outlay Budget shall be presented and prioritized by the institutions in accordance with the following categories.

- **Category 1 - Emergency Projects:** Projects which qualify for inclusion in this category shall be those which are essential to correct conditions deemed hazardous to the safety of life or property or to the correction of a state or federally mandated code, statute, or regulation. Projects which re-roof, waterproof, or re-caulk facilities and structures are not to be included in this category unless the cause is sudden, unexpected, or from an act of God.
- **Category 2 – Self-Generated Projects:** Projects which qualify for inclusion in this category shall be those which are totally financed from federal, local, or campus self-generated funds (building use fees, parking fees, reimbursement bonds, etc.). Projects which contain a mix of self-generated and state funds shall be classified in Category III, as defined in this document. The responsibility for the operation and maintenance of these facilities shall be decided by the LCTCS Board of Supervisors.
- **Category 3 – Continuing and New Projects:** Projects which qualify for this category shall include the following:
 1. Continuing projects, defined as any project which has received previous funding (cash received, bonds sold, line of credit extended), or are in progress and require additional funds for continuation or completion.

2. New projects defined as any project which enhances the state's investment in physical plant assets through a coherent progression of improvements by means of major renovation, alteration, extension, and construction of new space. Construction of new space will be considered only when renovation, extension, and alteration of existing space are not practical or feasible to solve programmatic needs. Projects included in this category will not have received previous funding by either cash received, bonds sold, or line of credit extended.

Budget Submittal

Capital Outlay Budget Requests must be submitted in strict accordance with the procedures outlined in the Commissioner of Administration's annual call for Capital Outlay Projects Memorandum and the Board of Regents Facilities Policy.

Priority Assignment

The System shall assign priorities to each project recommended for funding on a system-wide basis.

In assigning priorities, the staff shall consider the following general guidelines:

- Projects involving existing programs usually will receive priority over those involving new programs.
- Projects of an academic nature usually will receive priority over non-academic and non-academic over auxiliary projects.
- Repairs/replacements to prevent further damage to property, eliminate safety hazards, and correct code violations should generally receive a high priority ranking.
- Renovation projects should generally receive priority over new construction projects.
- Projects that demonstrate cost effectiveness and energy savings should generally receive a high priority ranking.
- Projects that have received prior funding (cash received, bonds sold, or line of credit extended) should generally receive priority over a project that has not received previous funding.

It should be noted that the category of a project does not automatically assign priorities. Need and merit are overriding considerations in assigning priorities. Therefore, only those projects that demonstrate these qualities will be considered for inclusion in the priority listing. If a particular project warrants consideration at a higher priority than the category in which it would normally be placed, it may be placed out of sequence, given sufficient justification.

The LCTCS Board reserves the right to reevaluate all projects, whether previously recommended or not, and make recommendations accordingly. The rank of a continuing project may be affected by its progress or lack thereof.

No capital outlay request or proposals shall be made in any year to the Board of Regents, the Division of Administration, or the Legislature without having been recommended by the President, reviewed and approved by the LCTCS Board of Supervisors.