

Summary of Capital Budget Request 2019 - 2020

of the

Tennessee Board of Regents



June 21, 2018

Summary of the Capital Budget Request for Fiscal Year 2019-2020
for the Finance and Business Operations Committee of the Tennessee Board of Regents.

The Capital Budget Request includes recommendations for a combined list of community college, and colleges of applied technology projects in three (3) classifications as follow:

A. Capital Outlay Projects

Projects for which the primary objective is expansion of plant by adding new construction and renovations involving extensive changes in functional use.

B. Capital Maintenance Projects

Projects for which the primary objective is correction of identified deficiencies in existing facilities. This classification includes building codes, safety, roof and envelope replacements, building system and sub-system improvements, and energy conservation projects.

Project Disclosures (utilizing School Bonds and other funding sources)

Includes projects for which no state capital appropriations are requested. These projects identify funding from campus funds, grants, gifts, donations, Tennessee State School Bond Authority financing (school bonds), etc.

Classification A: Capital Outlay

\$175,480,000 (last year: \$195,000,000) is recommended for the fiscal year 2019-2020, which is comprised of nine (9) prioritized projects. TBR intends to recommend a minimum of \$75,000,000 for prioritized Capital Outlay projects each year. One plus a partial project of the nine (9) projects were funded from the FY 18/19 Capital Outlay priority list. The five-year average of Capital Outlay funding is \$66,007,800 which includes special appropriations outside our Capital Outlay request.

Capital Outlay Projects: The recommendation for **\$175,480,000** is for full funding of nine (9) projects shown on Page 5. After the match, the state request is for \$164,009,450. The THEC Capital Outlay Prioritization Criteria is on Page 4; and program principles are on Page 6. Recommended projects not funded in the FY19/20 Capital Outlay budget would need to be resubmitted in the next year's budget cycle to be considered in the next fiscal year budget. Any projects not recommended for funding by THEC in this request, as well as the un-ranked projects submitted and disclosed on Page 14, are considered as potential candidates for the un-ranked balance of a five-year estimate.

Capital Outlay Prioritization

Projects will compete and be scored for capital outlay funding consideration annually. The unranked priorities listed as Potential Out-Year Projects may be identified in the Capital Budget Request.

THEC Prioritization Criteria	CC	TCAT
State Goals & the Drive to 55	25	25
Campus Master Plan & Strategic Plan	25	25
Project Description and Impact on Campus	21	25
Space Needs *	21	25
External Funding	8	0
Total	100	100

* Space Needs include current facilities assessment and the general condition of any existing building that will be impacted by this project, including demolitions and migration plans. Also includes the condition of any major systems that will be identified and addressed by the project.

Projects were reviewed and evaluated by TBR Central Office Committee utilizing the THEC prioritization criteria.

Capital Outlay Projects

	Institution	Project	Activity	FY 19/20 Request	State Request
Band 1	1 CoSCC	Williamson County Technology Building	Plan and construct	\$18,800,000	\$18,424,000
	2 RSCC	Knox County Campus Replacement	Plan and construct	\$24,300,000	\$22,728,400
	3 TCAT- Athens/CISCC	McMinn County Higher Edu. and Training Facility	Plan and construct	\$17,750,000	\$14,231,250
Band 2	4 MSCC	Rutherford Teaching Site Addition Building 4	Plan and construct	\$23,500,000	\$21,200,000
	5 TCAT Chattanooga	Technical Education Building	Plan and construct	\$17,400,000	\$17,400,000
	6 VSCC	Wilson County Campus	Plan and construct	\$12,500,000	\$11,516,800
Band 3	7 S. Central Reg. Center	Center for Health Sciences and Industrial Technologies	Plan and construct	\$42,820,000	\$41,715,000
	8 JSCC	Library Renovations	Plan and construct	\$4,500,000	\$4,275,000
	9 NaSCC	Clarksville Expansion	Plan and construct	\$13,910,000	\$12,519,000
Capital Outlay Total Request:				\$175,480,000	\$164,009,450

THEC Instructions for Governing Board Priorities

Governing boards must report projects in descending priority order. Priority orders will not be altered. Governing boards that serve multiple institutions (Tennessee Board of Regents and the University of Tennessee System), however, may identify a band of their top projects (up to three) so that, in the event that the third-ranked project within the band scores higher than the second-ranked project within that same band, the third-ranked project may be prioritized by THEC above the second-ranked project. TBR and UT may create subsequent bands—banding up to three projects in each—for projects prioritized after the initial band.

Capital Outlay Match

Projects submitted by Community Colleges must meet a minimum match requirement to be evaluated. The minimum match requirement differs by project type, as detailed below. There are no match requirements for TCATs. The external funding component of the rubric will be based upon a ratio of the project’s minimum match requirement to the project’s maximum scorable match. Match funds may include private gifts, grants, student fees, and institutional funds. No more than 1/3 of the total pledge shall consist of Tennessee State School Bond Authority financing, the term of which shall not exceed five (5) years. Each Community College will be required to submit a plan outlining the type and timeline for match funds when the project is submitted for consideration.

Project Type	Minimum	Maximum
Major Renovation, no gift minimum	0%	5%
New Construction, including a gift minimum	2%	10%
New Construction Gift Minimum	30% of 2%	30% of 10%

Proposed Match Plan

	Institution	Project	FY 19/20 Request	State Request	Match	Match %	Gifts	Gift %	Additional Funding
Band 1	1 CoSCC	Williamson County Technology Bldg.	18,800,000	18,424,960	375,040	2.0%	112,512	30.0%	Plant funds
	2 RSCC	Knox County Campus Replacement	24,300,000	22,728,400	1,571,600	6.5%	71,600	4.6%	Land proceeds
	3 TCAT Athens/CISCC ¹	McMinn County HE Training Facility	17,750,000	14,231,250	3,518,750	19.8%	3,518,750	100.0%	
Band 2	4 MSCC	Rutherford Teaching Site Addition Bldg. 4	23,500,000	21,200,000	2,300,000	9.8%	700,000	30.4%	Plant funds
	5 TCAT Chattanooga	Technical Education Building	17,400,000	17,400,000	0	0.0%	0		
	6 VSCC	Wilson County Campus	12,500,000	11,516,800	983,200	7.9%	491,600	50.0%	Plant funds
Band 3	7 S. Central Reg Cntr ² .	Center for Health Sciences & Industrial Tech.	42,820,000	41,715,000	1,105,000	2.6%	1,105,000	100.0%	
	8 JSCC	Library Renovations	4,500,000	4,275,000	225,000	5.0%	0	0.0%	Plant funds
	9 NaSCC	Clarksville Expansion	13,910,000	12,519,000	1,391,000	10.0%	0	0.0%	Plant funds

- 1 CISCC space utilization is approximately 50% of NSF for the facility
- 2 CoSCC space utilization is approximately 35% of NSF for the facility

Classification B: Capital Maintenance Annual Renewal Projects

This recommendation is a part of an ongoing effort to improve the Capital Maintenance funding for the Tennessee Board of Regents institutions to maintain the safety, structural integrity, functionality, and quality of aging facilities.

Annual Renewal: This year's request, **\$42,820,000** (last year: \$41,010,000), reflects TBR's system-wide annual maintenance target. THEC's annual target, for TBR is \$23,850,000, which is a pro-rated amount of their total appropriation for all institutions. The FY 19/20 annual request is recommended to address sixty (60) Capital Maintenance annual renewal priorities at thirty-one (31) Tennessee Board of Regents institutions, including all thirteen (13) community colleges, and eighteen (18) colleges of applied technology. Most TCAT campuses are grouped together into "Statewide" projects. The list of projects begins on Page 9, after the Annual Renewal Target Funding Formula on Page 8.

Notes are provided to the right of the line items, indicating if the request is for an ongoing project, is a phased project already requested higher on the list, is a first phase of many, and so forth. No subsequent phases are guaranteed for multiple-phase projects, as such out-year requests are subject to determination in their normal annual cycle.

Five-Year Estimate: The Administration requires a five-year estimate of Annual Renewal, subject to change, and does not require individual projects beyond the first year. The estimates for the second through fifth years are based on a general escalation of this year's Target and are shown on Page 13.

Unmet Needs: **\$2,450,000** in Unmet Maintenance Needs are also identified. After prioritizing the requests to serve the Capital Maintenance Annual Renewal Request, these projects were beyond the annual renewal target, and many of them can be expected to appear in future years. If additional appropriations become available in excess of Annual Request, the listing and back-up for these projects in the unmet needs category are available upon request.

Capital Maintenance Annual Target Funding Formula

2018 System Statistics

13 Community Colleges, and 27 Colleges of Applied Technology

	Education & General gross square footage E&G GSF	Average Age of Buildings	Median Age of Buildings	Building Replacement Cost
	square feet	years	years	dollars
Colleges	8,021,720	34.0	36.0	1,993,733,250
TCATs	2,260,150	36.6	39.0	499,843,740
Total	10,281,870			2,493,576,990

Formula for Annual Target Funding

Source - FM Data Monthly, August 1997

$$\frac{2}{3} (\text{Building Replacement Cost}) \times (\text{Building Age} / 1275)$$

2019-2020 Target Funding for Capital Maintenance **\$ 42,297,723**

Prioritization Methodology

The formula is run for each institution, setting an institution Target. Each institution's requested projects, in the institution's priority order, are included to approximately the Target. Projects are given priority for addressing the five types of need listed at right. Projects are distributed through the list to achieve proportionate equality among institutions.

- 1) Building Codes & Safety
- 2) Roofs
- 3) Mechanical & Infrastructure
- 4) Building Envelope
- 5) Interiors and Finishes

FY 19/20 Capital Maintenance Annual Renewal Request

Pri	Institution	Project	2019-2020	Notes
1	Statewide	TCAT Building System Updates A	1,050,000	First of 3 phases
2	Statewide	TCAT Roof Repairs/Replacements A	1,160,000	
3	CISCC	Technology Building Roof Replacement	250,000	
4	STCC	Roof Replacement and Envelope Repairs	610,000	Final phase of 4 phases
5	CoSCC	Several Buildings Roof Replacements	470,000	Second phase
6	PSCC	Exterior Lighting Upgrades	390,000	
7	WSCC	Sevier County Mechanical Upgrades	800,000	
8	Statewide	MPE and Infrastructure Updates A	1,050,000	First of 3 phases
9	DSCC	Multi-building Boiler System Updates	440,000	
10	NaSCC	Interior Lighting Updates	750,000	
11	MSCC	Fayetteville Campus HVAC Modernization	680,000	
12	ChSCC	CETAS Building Modernization	1,890,000	
13	RSCC	HVAC Corrections	1,100,000	
14	JSCC	McWherter HVAC Updates Phase 1	910,000	First of two phases
15	NeSCC	Network and Communication Modernization	1,000,000	
16	VSCC	Cookeville Higher Education Parking Expansion	360,000	
17	ChSCC	Gym Roof System Replacement	660,000	
18	VSCC	Chiller Replacement	380,000	
19	PSCC	Alarm System Upgrades	700,000	
20	TCAT Jacksboro	Door and Window Replacements	140,000	
21	Statewide	TCAT Parking and Paving Repairs A	730,000	First of 3 phases
22	STCC	Exterior Safety Repairs and Updates	1,550,000	
23	Statewide	TCAT Maintenance Repairs	580,000	
24	WSCC	Sevier County Campus Reroof	1,000,000	
25	JSCC	Maintenance Building Roof Replacement	340,000	
26	TCAT Crossville	Interior and Exterior Updates	250,000	
27	CoSCC	Powerhouse System Repairs	320,000	Third phase

FY 19/20 Capital Maintenance Annual Renewal Request *continued*

Pri	Institution	Project	2019-2020	Notes
28	PSCC	Boiler and Cooling Tower Replacement	850,000	
29	ChSCC	Elevator Modernizations	880,000	
30	TCAT Paris	Exterior Repairs	280,000	
31	DSCC	Campus Paving and Repairs	200,000	
32	CISCC	Hardscape Revitalization	900,000	
33	VSCC	Warf Roof Replacement	450,000	
34	VSCC	Wallace North Roof Replacement	380,000	THEC target \$23,850,000
35	RSCC	Cumberland and Scott Campus HVAC Updates	420,000	Total 1 -35 - \$23,950,000
36	PSCC	Air Handling Unit Replacements	620,000	
37	WSCC	Infrastructure Repairs	900,000	
38	DSCC	Eller Administration Building Generator	400,000	
39	CISCC	Data Infrastructure Modernization	750,000	
40	CoSCC	Exterior Lighting Updates	130,000	
41	VSCC	Campus Exterior Repairs	290,000	
42	PSCC	Window Replacements	380,000	
43	ChSCC	CAT Building Modernization	1,530,000	
44	Statewide	TCAT Building System Updates B	280,000	Second of 3 phases
45	TCAT Hartsville	Wilson Campus Roof Replacement	490,000	
46	VSCC	Campus Boiler Replacements	300,000	
47	STCC	Mechanical System Updates	1,550,000	Second phase
48	CoSCC	Plumbing and Drainage Repairs	860,000	
49	MSCC	McMinnville Campus HVAC Modernization	890,000	
50	RSCC	Oakridge and Anderson County HVAC Updates	1,300,000	
51	JSCC	McWherter HVAC Updates Phase 2	920,000	Second of two phases
52	NeSCC	Powers Building Foundation Stabilization	250,000	
53	PSCC	Campus Paving and Repairs	620,000	
54	Statewide	TCAT Building System Updates C	890,000	Third of 3 phases

FY 19/20 Capital Maintenance Annual Renewal Request *continued*

Pri	Institution	Project	2019-2020	Notes
55	TCAT Elizabethton	Arney Street Infrastructure and Interior Updates	180,000	
56	Statewide	MPE and Infrastructure Updates B	650,000	Second of 3 phases
57	Statewide	TCAT Parking and Paving Repairs C	610,000	Second of 3 phases
58	Statewide	TCAT Parking and Paving Repairs B	1,860,000	Third of 3 phases
59	Statewide	MPE and Infrastructure Updates C	1,670,000	Third of 3 phases
60	VSCC	Campus Parking Lot Expansion	580,000	
Annual Maintenance Request			\$42,820,000	

TBR institutions submitted 4 additional projects at \$2,450,000 of unmet maintenance needs for a total request of \$45,270,000. Listing and back-up for these projects are available upon request.

Classification C: Project Disclosures (utilizing School Bonds and other funding sources)

Eleven (11) projects are listed below, which have been identified by four (4) community colleges to utilize funding from plant funds, student fees, grants, and gifts. These projects do not have a priority order. Projects disclosed in the budget can be brought forward for 2 years.

Projects listed with funding from student fees may be dependent upon increases that will require approval at a future Board meeting. Listing such projects acknowledges the institution's intent but does not imply that the Board will approve the requisite fee increase.

FY19/20 Disclosed Projects

Institution	Project	Value	Source of Funds
NeSCC	Amphitheater Plaza and Stage	\$500,000	Plant Funds
PSCC	Division Street Renovations	\$1,500,000	Plant Funds
PSCC	Hardin Valley Parking Expansion	\$900,000	Student Fees
PSCC	Magnolia Print Shop Renovation	\$150,000	Plant Funds
PSCC	Strawberry Plains Campus Build-out	\$2,000,000	Plant Funds
PSCC	Strawberry Plains Roadway	\$320,000	Student Fees
PSCC	Strawberry Plains Fitness Trail	\$470,000	Student Fees
PSCC	Strawberry Plains Parking Expansion	\$1,000,000	Local grant
PSCC	Student Recreation Center Flooring	\$100,000	Student Fees
RSCC	Cumberland County Science Lab	\$1,530,000	Gifts & Plant Funds
VSCC	Wood Building Dining and Kitchen Remodel	\$980,000	Plant Funds
Disclosure Total		\$9,450,000	

FY19/20 Capital Budget Five-Year Plan

Institution	Project	Activity	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Community College and TCAT Capital Outlay Projects							
1	CoSCC	Williamson County Technology Building	Plan & Construct	18,800,000			
2	RSCC	Knox County Campus Replacement	Plan & Construct	22,300,000			
3	TCAT Athens/CISCC	McMinn County Higher Education Training Facility	Plan & Construct	17,750,000			
4.	MSCC	Rutherford Teaching Site Addition Building 4	Plan & Construct	23,500,000			
5.	TCAT Chattanooga	Technical Education Building	Plan & Construct	17,400,000			
6.	VSCC	Wilson County Campus	Plan & Construct	12,500,000			
7	S. Central Regional Cntr	Center for Health Sciences and Industrial Technologies.....	Plan & Construct	42,820,000			
8	JSCC	Library Renovations.....	Plan & Construct	4,500,000			
9	NaSCC	Clarksville Addition	Plan & Construct	13,910,000			
		Capital Outlay Total		175,480,000			
Un-prioritized projects			Plan & Construct	0	75,000,000	75,000,000	75,000,000
(see Page 14 for institutional priorities that may appear in future requests)							
		Capital Outlay Total:		175,480,000	75,000,000	75,000,000	75,000,000
Capital Maintenance Annual Renewal Total:				42,820,000	44,100,000	45,430,000	46,790,000
Capital Total:				218,300,000	119,100,000	120,430,000	121,790,000
				48,200,000		123,200,000	

FY19/20 Capital Outlay Potential Out-Year Projects

Institution	Project	Activity	2019-2020
WSCC	Health Professions and Physical Activity Center	plan and construct	45,000,000
NeSCC	Elizabethton Science Lab Renovation	plan and construct	490,000
DSCC	Arts and Sciences Building	plan and construct	<u>38,000,000</u>
Total Potential Capital Outlay			83,490,000

Summary of the Capital Request

This capital budget request for fiscal year 2019-2020 is presented to the Finance and Business Operations Committee of the Tennessee Board of Regents for consideration.

	This Request (including match request)
A ♦ Capital Outlay	
Standard Projects	175,480,000
B ♦ Capital Maintenance	
Annual Renewal	42,820,000
Total Request Outlay + Maintenance	218,300,000